



Daily Report

China

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General

Foreign Ministry on PLO UN Mission Closure

HK200818 Beijing RENMIN RIBAO in Chinese
19 Mar 88 p 1

[XINHUA Report: "Foreign Ministry Spokesman Expresses Regret Over U.S. Closure of PLO's UN Observer Mission"]

[Text] Beijing, 18 Mar (XINHUA)—A Foreign Ministry spokesman today issued a statement expressing regret over the U.S. Government's decision to close the PLO observer mission in the United Nations. The text of the statement is as follows:

The U.S. Government's decision to close the PLO observer mission in the United Nations has not only contravened its obligations as set out by the "UN Headquarters Agreement" but has also violated the relevant resolution adopted recently by the UN General Assembly and will in no way help to promote the Middle East peace process. We express regret at this.

We urge the U.S. Government to reverse this wrong decision and fulfill its international obligations earnestly.

XINHUA on PLO 'Right' To Office in UN

OW181020 Beijing XINHUA in English 1629 GMT
17 Mar 88

["Backgrounder: The U.N. Headquarters Agreement and the PLO"—XINHUA headline]

[Text] Beijing, March 17 (XINHUA)—The U.S. decision to close the observer mission of the Palestine Liberation Organization (PLO) at the United Nations by March 21 has aroused great concern throughout the world, and many countries regard it as a violation of the U.N. headquarters agreement.

The headquarters agreement stipulates that both the property and the permanent representatives to the United Nations, under the jurisdiction of the United Nations, are entitled to certain privileges and immunity.

Since the U.N. invited the Palestine Liberation Organization to be an observer to the General Assembly and the PLO established its U.N. observer office, the PLO office is entitled to those privilege and immunity under the terms of the agreement.

As the host country, the U.S. is obliged to facilitate the entry and functioning of all U.N. invitees, including the PLO.

The United States Congress decided last December in an amendment to a State Department spending authorization bill to close the PLO's permanent U.N. observer mission by March 21 of this year, when a U.S. domestic law on "anti-terrorism" goes into effect.

A PLO official stated recently in New York that its U.N. observer would stay in New York in accordance with the U.N. headquarters agreement signed in 1947 between the United Nations and the United States.

The General Assembly has referred the PLO office issue to the International Court of Justice in the Hague. Any dispute between the United Nations and the United States concerning the agreement's application is supposed to go to the International Court. Either party to the agreement is entitled to ask the General Assembly to request that the International Court of Justice give an advisory opinion on any legal question arising in such disputes.

Under the headquarters agreement, pending the receipt of the opinion of the court, an interim decision of an arbitral tribunal of the International Court of Justice shall be observed by both parties. According to the 1947 treaty, the tribunal then gives the final decision with reference to the opinion of the court. The position of the PLO and most of the United Nations member countries is that the United States is acting illegally and infringing on the jurisdiction of the International Court, since it refuses to enter arbitration. As long as the United States has not repudiated the agreement, the agreement stands — and the PLO has the right to remain in New York.

Li Peng Letter to UN Condemns Apartheid

OW202033 Beijing XINHUA in English 1635 GMT
20 Mar 88

[Text] Beijing, March 21 (XINHUA)—Chinese Acting Premier Li Peng today sent a telegram to the chairman of the UN Special Committee Against Apartheid, G. Garba, expressing support for the committee and condemning racial discrimination and apartheid.

Marking the UN International Day for the Elimination of Racial Discrimination, Li expressed his appreciation for the "unremitting efforts" of the committee "to mobilize the support of the international community for the just struggle of the South African people."

He said that the South African authorities, clinging to apartheid, deprived black people of their fundamental rights and violated UN resolutions. Last February, Pretoria banned anti-apartheid organizations and the Congress of South African Trade Unions from all political activities.

"The perverse acts of the South African authorities constitute a grave challenge to the African people and the entire international community," he said.

He said that "the resolute and thorough eradication of the sinister system of racial discrimination and apartheid is the common and pressing task confronting the South African people and people the world over."

He said China firmly supports "the just struggle of the South African people for fundamental human rights and racial equality, and the Namibian people for national liberation and independence, as well as that of the peoples of other African countries against racism practised by South Africa and for safeguarding their national independence and sovereignty."

Health Minister at World Child Care Meeting

*OW191241 Beijing XINHUA Domestic Service
in Chinese 0753 GMT 12 Mar 88*

[Text] Geneva, 11 Mar (XINHUA)—Chinese Minister of Public Health Chen Minzhang addressed the 3d World Children's Survival Conference today. He pointed out in his speech: The Chinese Government attaches importance to child care work and devotes major efforts to immunization, mainly through vaccinations, throughout the country, drastically reducing the number of cases of the four diseases that seriously hurt children's health — diphtheria, whooping cough, measles, and polio.

The 3d World Children's Survival Conference, co-sponsored by the World Health Organization, the U.N. Children's Fund, the U.N. Development Program, the World Bank and the U.S. Rockefeller Foundation, began on 10 March at the French border town (Taluwar) near Switzerland. It discusses how to improve the immunization work for children. Chen Minzhang was invited to speak to the more than 70 representatives from several dozen countries and national organizations today. He briefed them on China's immunization work for children.

He said: China wiped out smallpox in the early 1960's and promoted systematically a planned immunization with four vaccines in the late 1970's, reducing the number of cases of measles, polio, diphtheria and whooping cough at an annual rate of 40 percent. The number of cases decreased by about 90 percent in 1987 as compared with 1978.

However, Chen Minzhang also pointed out: Although China has made rapid progress in planned immunization, the work is quite uneven because of China's large population and the great difference in economic and cultural levels from place to place. In the regions of minority nationalities in China's northwest and southwest particularly, the planned immunization work is obstructed seriously and epidemics still occur occasionally. In those regions the transport facilities are poor, economic development and cultural development are slow, the quality of medical personnel is poor, the planned immunization work started late, and the people lack the awareness of the need of immunization.

Chen Minzhang said: The Chinese Government, particularly its Public Health Department, will strengthen leadership and concentrate on doing a good immunization work in the minority nationality regions and outlying regions. At the same time, it will strive to achieve an immunization rate of 85 percent at the county level before 1990.

Chen Minzhang's speech was welcomed by the representatives from various countries. Many of them praised highly China's achievements in promoting immunization for children.

China Investment Bank Negotiates Loans

*HK190234 Beijing CHINA DAILY in English
19 Mar 88 p 2*

[By staff reporter Tian Ying]

[Text] The China Investment Bank (CIB) will negotiate with the World Bank for its fifth loan agreement in June and July.

Lu Xianlin, president of CIB, said that the loan is expected to exceed the fourth of \$300 million, which was received last year, and was the biggest ever from the World Bank.

The bank is also making preparations to negotiate with the Asian Development Bank (ADB) over a second loan. The bank signed a first loan agreement for \$100 million with ADB in November.

The money will be used chiefly to develop textile processing and light industry, technical renovation and projects expected to earn foreign exchange from exports.

Lu, speaking at a directors meeting in Beijing yesterday, also announced that the bank will, from this year, offer loans in foreign exchange at floating interest rates and borrowers will either lose or gain depending on changes of exchange rates.

In the past, loans offered by the bank were at fixed interest rates and losses were absorbed by the State. The change has been made to fall in line with international banks who issue loans at floating interest rates.

Established in December 1981, CIB specializes in raising funds abroad for construction and has the right to raise funds directly from foreign financial organizations.

Last year, the bank raised \$444 million from abroad, double the total the bank obtained in the last five years.

At the same time, the bank granted loans of about \$250 million in foreign exchange and 550 million in renminbi to projects in light industry, the chemical and electronic industries, building material, metallurgical, machinery and pharmaceutical industries.

About 120 projects supported by CIB went into operation last year.

Annual production is expected to reach 13,000 tons, saving foreign exchange as the factory's products will replace similar imports.

"To ensure good economic results for bank-supported projects, we pay great attention to project appraisal and loans are only given to projects expected to achieve more than 12 percent profit annually," Lu said.

The bank has also taken steps to support economic development in coastal regions, dividing them into three areas according to the locations of its branches.

Liaoning Province along the Bohai coast forms one area, Zhejiang and Jiangsu provinces and Shanghai and the Yangtze Delta another, and the third the special economic zones in the Zhujiang Delta area. Projects in these areas will receive big loans.

United States and Canada

Report on Wu's Speech to U.S. Press Club

HK210801 Beijing GUANGMING RIBAO in Chinese
11 Mar 88 p 4

[Report by Wang Deming (3769 1795 6900): "Foreign Minister Wu Xueqian Delivers Lengthy Speech in Washington on China's Reform, Opening Up, and Foreign Policy"]

[Text] Washington, 9 Mar—This afternoon, at a luncheon held by the National Press Club in Washington, Wu Xueqian, Chinese state councillor and foreign minister, delivered a lengthy speech entitled "Persistently Carrying Out Reform and Opening Up, Safeguarding World Peace," and received a warm reception.

Foreign Minister Wu stressed in his speech that reform and opening up are China's basic national policy. "In the long process of striving for the grand objective of the four modernizations, China's reform and opening up are now just a prelude. We will continue to make efforts to advance the process of reform and opening up, and will further strengthen our economic and technological cooperation and trade with other countries in the world so as to build closer relations with international markets."

When talking about China's foreign policy, Foreign Minister Wu said China pursues an independent diplomatic policy for peace, and China takes the maintenance of peace as the most important task of its foreign policy. "For the sake of peace, we always try to develop friendly and cooperative relations with other countries in the world on the basis of the five principles of peaceful coexistence and always hold that these principles should be taken as the norm for international relations." "For

the sake of peace, we should also develop international economic cooperation on the basis of equality and mutual benefit." "For the sake of peace, it is necessary to carry out disarmament."

As for Sino-U.S. relations, Foreign Minister Wu said: This is the 10th year since China and the United States established diplomatic relations. Since the establishment of diplomatic relations, the development of Sino-U.S. relations has been smooth and stable generally. The development of Sino-U.S. relations is in line with the fundamental interests of the two peoples. However, we must also notice the twists and turns that Sino-U.S. relations have undergone, as well as the difficulties and obstacles that still exist and are unsolved. He added that in order to ensure the healthy, steady, and sustained development of Sino-U.S. relations on a more solid foundation, efforts should now be concentrated on the following aspects: First, handling the Taiwan issue properly. To develop their mutual relations smoothly, China and the United States cannot evade the Taiwan issue. The U.S. Government has stated repeatedly that it pursues a "one-China" policy, and it is our hope that this statement will truly be put into practice. Second, developing Sino-U.S. economic and technological cooperation and trade. Third, the two countries hold identical or similar viewpoints on some major international issues. In addition, differences also exist on some other issues, such as issues concerning the rights and interests of the Third World. It is hoped that through consultations and dialogue, China and the United States will narrow their differences and expand the common points.

After concluding his 8-day visit to the United States, Foreign Minister Wu tonight left Washington by plane and began his visit to Britain.

Foreign Ministry on U.S Moves in Honduras

OW181312 Beijing XINHUA in English 1304 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA)—A Chinese Foreign Ministry spokesman, in answering reporters' questions on the United States sending troops to Honduras, expressed concern over the "tense atmosphere" in Central America.

The spokesman said, "We hope that the parties concerned to the conflict in Central America will respect the regional peace agreement reached by the heads of states of five Central American countries and refrain from taking any action that may aggravate the situation in the region so as to contribute to the continued development of the momentum of relaxation that has occurred."

The Chinese Government, he continued, has always maintained that the sovereignty, independence and territorial integrity of all Central American countries

should be respected; and that the internal affairs of the Central American countries be settled by the people of those countries themselves free from outside interference.

"We believe that the problems existing among the Central American countries and the dispute between the United States and Nicaragua should be settled through peaceful negotiations on the basis of equality in accordance with the basic norms governing international relations," the spokesman said.

Voices Concern

*OW181336 Beijing XINHUA Domestic Service
in Chinese 1206 GMT 18 Mar 88*

[Text] Beijing, 18 Mar (XINHUA)—When answering a question raised by reporters today on the United States dispatching troops to Honduras, a Foreign Ministry spokesman said: China is concerned over the tense atmosphere which has appeared recently in the Central American region; it hopes that the various parties concerned to the conflict in Central America will respect the regional agreement for peace reached by the heads of state of the five Central American countries and refrain from taking any action that will aggravate the situation in the area so as to contribute to the continued development of the trend of detente which has already appeared.

The spokesman said: The Chinese Government has always maintained that the sovereignty, independence, and territorial integrity of the various Central American countries should be respected and that the internal affairs of the various Central American countries should be solved by the people of the Central American countries themselves, free from outside interference. The problems existing among the Central American countries and the dispute between the United States and Nicaragua should be solved by peaceful negotiations on the basis of equality according to the basic norms governing international relations.

U.S. Actions Viewed

*HK200758 Beijing RENMIN RIBAO in Chinese
19 Mar 88 p 6*

["Jottings" by Sai Bei (1049 0554): "Tension in Central America"]

[Text] On 16 March, President Reagan ordered the dispatch of 3,200 infantry and paratroopers to Honduras for the avowed purpose of "responding" to "Nicaraguan incursions into Honduran territory." At the same time, under the pretext of "protecting" U.S. installations, the Pentagon dispatched marines, air force personnel, anti-terrorist units, and security police to Panama. The situation in Central America has suddenly become tense.

The United States already has forces stationed in Honduras and Panama. What has happened that now requires U.S. reinforcements to be sent there? The U.S. President told newsmen that "We have information that the Nicaraguans have already crossed the border into Honduras."

According to a Columbia Broadcasting System report, these U.S. troops will not be sent to the Nicaraguan-Honduran border and will only be used as "non-combat forces." This is because President Reagan has no desire to be cursed for the loss of U.S. soldiers' lives in foreign countries during the last few months of his term. His aim may be to create a kind of atmosphere in which Congress will agree to provide assistance for the Nicaraguan contras. In the past month or so, the House of Representatives has twice overturned White House bills calling for aid for the contras. This has lowered greatly the contras' morale. For their part, the Nicaraguan government forces have launched a powerful offensive against the contras. This situation has caused the U.S. President some uneasiness. Having weathered the "Irangate" storm, he needs to create a favorable situation for himself.

As for Panama, despite the fact that the United States has exerted a great deal of pressure, it is not certain that developments will proceed as the United States wants. Under these circumstances, it is possible that still more U.S. troops will be sent there to ensure control of the Canal Zone and enforce the U.S. will.

It does not seem at present that the situation in Central America is out of control, but it is hard to tell whether this will hold good in the long term. The United States has never been reconciled to its inability to control Central America, and it would be difficult to say that it will not make a wrong move. Moreover, the lesson of history is that it is easy to send troops in but difficult to get them out. When the warships sent to the Gulf for "escort duty" have still not returned, who knows how long the troops sent to Honduras will have to stay there?

Following the conclusion of the INF agreement between the United States and the Soviet Union last year, the two sides discussed the question of regional conflicts and appeared willing to blow the wind of detente all over the earth. However, so far not one regional conflict has been resolved, and now new tension has arisen in Central America. It seems that the next round of U.S.-Soviet foreign ministerial talks will have something new to talk about.

U.S. Moves Analyzed

*OW191240 Beijing XINHUA in English 1216 GMT
19 Mar 88*

["News Analysis: Why The U.S. Sends Troops to Honduras?"—by Gen Qiuzhan—XINHUA headline]

[Text] Beijing, March 18 (XINHUA)—With about 3,200 U.S. infantry and airborne forces arriving in Honduras on Thursday, the Central American situation has once again become tense, arousing great concern all over the world.

The Reagan administration alleged that this dramatic display is being performed to help Honduras repel invading Nicaraguan troops. Yet various sources have indicated that the real reasons behind the move are quite different.

First, the arrival of U.S. troops in Honduras reflects Reagan administration's desire to look for excuses to gain an upper hand in Central American affairs.

The U.S. influence has been reduced in Central America since the signing of the Central American peace accords last August in Guatemala City by the five presidents in the region. The Nicaraguan Government has been active in responding to the terms of the peace agreement, leaving the contra rebel forces more isolated.

On the American side, the U.S. Congress has rejected more than once this year bills calling for new aid to the contras.

Under these circumstances, the Reagan administration was eager to find an excuse to press congress to pass an aid bill for the contras, and the Sandinista military move provided just the excuse they needed.

The democratic leader of the U.S. House of Representatives, Jim Wright, called President Reagan's decision to send troops to Honduras only a "political plot" to excuse military action against the Nicaraguan Government.

Secondly, sending U.S. troops at this time could create obstacles to the forthcoming cease-fire talks between the Nicaraguan Government and the rebels.

The U.S. Government has been against any direct talks between the Nicaraguan Government and the rebels. But, after the Sandinistas made several concessions, the two parties finally agreed to hold top level talks March 21-23 in the town of Sapoá, along Nicaragua's border with Costa Rica.

Now with more U.S. troops in Honduras, the chance for a successful dialogue between the Nicaraguan Government and the contra rebels seems again to become remote.

Thirdly, the U.S. Government, unwilling to lose its trump card in Central America, cannot afford to sit idle while the contra rebels are tumbling into a desperate situation under the heavy military pressure of the Sandinistas.

It is reported that the U.S. asked the Honduran troops to help save the contra rebel forces which were suffering from a devastating blow from the Sandinista army.

Honduran military sources also said that the contra rebels would be destroyed unless Honduran and U.S. troops launched counter-attacks against the Sandinista forces.

The last, but not the least, reason for U.S. sending troops to Honduras is that the Reagan administration apparently wants to distract public attention from the ongoing Iran-contra indictment.

A U.S. grand jury on March 16 brought a formal suit against four key figures involved in the Iran-contra scandal, including Lieut. Col. Oliver North and Rear Adm. John M. Poindexter, charging them with "illegally" providing the Nicaraguan rebels with money gained from the sale of American weapons to Iran.

Civil rights leader Jesse Jackson said in Detroit Thursday that "it appears the administration is once again trying to divert attention from a scandal, using the military expedition to shift focus."

The U.S. attempt to meddle in Central American affairs with military force is bound to encounter opposition from world opinion. But world opinion has never played a major role in determining U.S. strategy in Central America, and certainly not under the Reagan administration. Whether world opinion can make a difference this time remains to be seen.

Further Analysis

OW200558 Beijing XINHUA in English 1456 GMT
19 Mar 88

["News Analysis: A Dangerous Move, by Qian Wen-rong"—XINHUA headline]

[Text] United Nations, March 18 (XINHUA)—The U.S. Government's decision to send troops to Honduras, which is allegedly invaded by Nicaraguan troops, has drawn great concern from the United Nations and the American public.

U.N. Secretary-General Javier Perez de Cuellar yesterday called for "restraint" by all parties concerned while the Security Council decided to meet this afternoon to consider the issue.

There were likely fresh fightings between Nicaraguan Government troops and rebel forces along the Nicaraguan-Honduran border.

However, the U.S. Government argues that its troops are dispatched because Nicaraguan troops had crossed the border into Honduran territory.

U.S. newspapers quoted diplomats and military officers as saying in Managua March 16 that the latest conflict between the Sandinistas and the contras was "no larger than the campaigns of past years." They were "skeptical" of the U.S. Government's assertion that "the offensive was a new threat to the regional security."

Even the Honduran Government and Nicaraguan rebels denied the intrusion of Nicaraguan Government troops into Honduras, as the U.S. claimed.

"We have no concrete information that Sandinista troops have cross our border," said Col. Manuel Suarez Benavides, a spokesman for the Honduran Army, during a telephone interview with the NEW YORK TIMES.

Leader of the Nicaraguan rebels Adolfo Calero also said yesterday Washington that no Sandinista troops intruded into Honduras.

This is not the first time the U.S. Government "helps" Honduras fight Nicaragua. In March 1986, the U.S. Government reported an invasion of Honduras by Nicaraguan troops and sent helicopters to ferry Honduran troops to the border region. A Honduran official said later that the U.S. assertions were exaggerated.

The Reagan administration told the Congress that U.S. troops were sent upon the request of the Honduran Government.

However, under sharp questioning in the Congress, Secretary of State George Shultz conceded that the idea of sending troops to Honduras originated in Washington, not in Tegucigalpa.

"I know of nothing that justifies sending troops," said Speaker of the House Jim Wright.

The question is why the U.S. Government is so active in making the move at this particular moment?

The House has accused the government of trying to create a crisis distract the public from the Iran-contra indictments, in which four key figures, including Lieut. Col. Oliver North and Rear Adm. John Poindexter, had been charged of conspiracy to defraud the country by "illegally" providing the Nicaraguan rebels with profits from the sales of U.S. weapons to Iran.

Furthermore, some officials have admitted that the government hope to make use of the situation to persuade the Congress to resume military aid to the Nicaraguan rebels.

The House defeated earlier in February a request of the government for new aid to the contras.

Many politicians consider the troop dispatch as "a dangerous move" which could only deteriorate the situation in the region, instead of relaxing it.

Senate Majority Leader Robert Byrd warned yesterday that even a symbolic show of U.S. force could derail the ceasefire talks between the Nicaraguan Government and the rebels that are scheduled for next week.

U.N. Officials, especially Latin American diplomats, worried that the U.S. move might jeopardize the whole peace process in Central America which began last August after the signing of a peace agreement by the presidents of five Central American countries—Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica.

They have called on all kinds of foreign intervention in the region to be halted immediately so that the Central American countries can resolve disputes both between them and within their nations through their own efforts.

The dispute between the United States and Nicaragua should also be dealt with through peaceful talks in accordance with the basic principles governing international relations, they said.

Shultz' Middle East Visit Called 'Futile'

HK190548 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No. 11, 14 Mar 88 p 25

[Special dispatch by Fu Manshou (0265 2581 1108):
"The Futile Middle East Trip by Shultz"]

[Text] Cairo—The U.S. secretary of state ended his visited to Israel, Jordan, Syria, and Egypt on 1 March.

Formerly, Shultz did not personally visit the Middle East very often. But this time, he was compelled to make the visit himself knowing full well that the "chances of success were very small." It can be seen that the United States was really in a predicament.

Shultz' Middle East trip was prompted by the struggle against Israel's occupation that was started by the Palestinian people in the occupied territories last 9 December and that is continuing. This struggle has no precedence in its depth, breadth, and duration in the 20-odd years since Israel's occupation in 1967. The Palestinian people in the occupied territories, especially youths who have grown up under Israel's occupation, have resorted to using stones against the Israeli soldiers' guns and big clubs. Unarmed women and children are facing fully armed Israeli military personnel and policemen. Workers, students, and businessmen are striking. From the West Bank of the Jordan River to the Gaza Strip, and from urban to rural areas, sporadic outbreaks have persisted for more than 2 months. This struggle has won not only the support of various Arab states but also the sympathy of people all over the world, including people in the United States and Israel. The EC Council of Ministers has unanimously passed a resolution condemning Israel, putting the Israeli ruling group in an

unprecedentedly isolated position and also making the U.S. Administration, which has for a long time supported Israel, feel deeply embarrassed.

This struggle by the Palestinian people has again placed the Palestinian question, long "forgotten" by the international community, on the agenda. The leaders of Egypt and Jordan have once again called for holding an international conference on the Middle East at an early date and demanded that the United States take action. The Soviet Union has also sent top-ranking officials and envoys to the Middle East to join Middle East countries in discussing the Palestinian question, the Gulf situation, and the Afghanistan issue.

Given this situation, the United States could not ignore Israel's plight. It had to lend a helping hand to put down the consuming fire started by the Palestinian people. Neither could the United States turn a deaf ear to the Arab demand that the United States "take action." Still less could it offer on a silver platter the initiative to solve the Middle East problem to the Soviet Union. It was against this background that Shultz unashamedly came to the Middle East.

What kind of plan was in Shultz' handbag—this all along was an open secret. Since the beginning of this year, Washington has successively sent its envoys Habib and Murphy to the Middle East. Some of the contents of the U.S. "new Middle East peace plan" had been revealed. The so-called new plan actually was nothing new. Its aim was still the same as the David Camp Accords. It first called for arranging a temporary solution of "limited autonomy" for the Palestinian people under Israeli rule and then solving the problem of the final position of the occupied territories through direct negotiations. The only difference was the shortening of the period for such an arrangement, from the original 5 years needed for arranging "autonomy" to 3 years.

At a news conference on the eve of Shultz' departure, U.S. President Reagan said that to solve the Middle East problem, we must guarantee Israel's security and also guarantee the legitimate rights of the Palestinian people. The former was clear, and the latter ambiguous. As desired by the United States and Israel, "autonomy" is also a kind of "legitimate right" given to the Palestinian people. But the Palestinian people and the Arab states could not accept such an explanation. This made it certain that Shultz' Middle East trip would go nowhere.

In fact, the difficulties Shultz encountered during his Middle East trip were greater than he himself anticipated. The day he arrived in Israel, the Palestinians protested and demonstrated in the West Bank of the Jordan River and the Gaza Strip on a still larger scale. They not only protested Israel's occupation and savage acts but also protested Shultz' arrival in the Middle East. In West Beirut, more than 8,000 Shi'ite Muslims shouted in a parade at the top of their voices such slogans as "Shultz

Get Out," "Long Live Palestine!" and so forth. Shultz' visit did not achieve the aim of "putting out the fire." On the contrary, it only served to "pour oil on the fire."

On the first stop of his Middle East trip in Israel, Shultz said in a speech that he had brought "a feasible proposal." But after his meeting with Israeli Prime Minister Shamir, Shultz made it known that this proposal could not work. The leaders of the two parties of the Israeli coalition government were seriously divided on the principle of "exchanging land for peace." The leader of the Labor Party and foreign affairs minister, Shim'on Peres, supported the U.S. plan. But the Likud group led by Shamir did not yield an inch, resolutely opposing withdrawal from the occupied territories. Internal contradictions in the Israeli ruling group shelved Shultz' new peace plan at the first stop.

Shultz originally was prepared to bypass the PLO and discuss the new program with the Palestinians in the occupied territories. But none of the 15 well-known Palestinian figures invited to see him would meet with him. They were quick to issue statements claiming that to solve the Palestinian question, the United States must have talks with the PLO, which represents the Palestinian people. PLO Chairman 'Arafat declared that any talks the United States had with the Palestinians must be with a representative—the PLO.

In Syria, Shultz ran into still greater difficulties. Syrian President al-Asad refused to support the U.S. plan to solve the Arab-Israeli conflict in stages. He insisted on the need to call an international conference sponsored by the United Nations, with the participation of various quarters, including the PLO, to solve the Middle East problem. Shultz said that the United States recognizes that the Golan Heights, which are occupied by Israel, are Syrian territory. But he wanted Syria to have unilateral talks with Israel on the problem of the Golan Heights. This was rejected by Syria.

When Shultz arrived in Amman, Jordanian King Husayn had gone to London for "dental treatments." Prince Hassan and Prime Minister Rifa'i also turned down the new U.S. proposal. Jordan insisted that any proposal for a peaceful solution must be based on Israel's withdrawal from the occupied territories and the protection of the Palestinian people's right of self-determination. The only way to solve this problem was to call an international conference presided over by the five UN great powers.

Following his talks with Egyptian President Mubarak in Cairo, a not too pessimistic Shultz said the U.S. package was still "hopeful." But President Mubarak had said many times before Secretary Shultz' visit that the autonomy plan for the Palestinian people in the David Camp Accords signed in 1978 was "already outdated." He had demanded that the United States propose something new.

When Shultz flew from Israel to London on 1 March, the raging flames of the anti-Israeli struggle of the Palestinian people in the occupied territories had not died down because of the "new plan" brought by Shultz. Various Arab quarters also had not retreated from their original stands. Debate within the Israeli leadership had also intensified. In addition, the Soviet people were looking forward to another setback for the United States.

The only comfort for Washington is that Shultz' trip somehow played a role in "finding the way by casting stones." The United States is "casting stones" down a blind alley. Can this result in the Washington decision-makers finding their way out of the blind alley? We can at least tell nothing for the present.

Soviet Union

Gorbachev's 'Spectacular' SFRY Visit Analyzed *OW201156 Beijing XINHUA in English 1055 GMT 20 Mar 88*

[*"News Analysis: Gorbachev's Spectacular Visit to Yugoslavia"* —XINHUA headline]

[Text] Belgrade, March 19 (XINHUA)—The history-left ideological gap appears to have been narrowed between the Soviet and Yugoslav leaders as Mikhail Gorbachev concluded his spectacular official visit to Yugoslavia.

A Soviet-Yugoslav declaration, signed by Gorbachev and Yugoslav leaders and released at the end of the five-day visit on Friday, showed that the current Soviet leadership appreciated the policies Yugoslav leaders have long been pursuing.

The declaration reiterated that the two sides will continue to abide by the principles governing bilateral relations set down in two declarations between the two countries issued in the 1950s.

It said the two declarations, one announced in Belgrade in 1955 and the other in Moscow in 1956, have played an important role in the past and will have lasting value in stabilizing the relations between the two countries.

Relations between Moscow and Belgrade deteriorated in late 1940s following what Gorbachev referred to as a "groundless charge" against Yugoslavia. Yugoslavia was expelled from the communist bloc, at the insistence of then Soviet leader Josef Stalin, because of former Yugoslav leader Josip Broz Tito's pursuit of a different socialist path.

However, former Soviet leaders were not happy to stress the principles stipulated in the two declarations in the 1950s and violations of these principles occurred time and again.

During the visit, Gorbachev publicly admitted that, at the end of the 1940s, the then Soviet leadership brought "utterly groundless charges against the Yugoslav Communist League leaders," thus resulting in "huge losses to Yugoslavia, the Soviet Union and the whole socialist cause as well."

Gorbachev said that the two declarations "have experienced the test of time" and become "solid political foundation" on which the two countries have established stable relations.

The two countries "underscore the historic role and abiding value of the universal principles contained in the Belgrade and Moscow declarations, and in particular: mutual respect for independence, sovereignty, territorial integrity, equality and non-interference in internal affairs in any form whatsoever," the declaration added.

According to the declaration, current Soviet leaders agree to allow all communist parties to choose their own ways of development.

"Proceeding from the conviction that no one has a monopoly over the truth, the two sides declare that they have no pretensions of imposing their concepts of social development on anyone," the document said.

The development of socialist self-management, in line with the specific needs of each country, is of prime importance, it said.

The declaration also stressed the importance of cooperation among progressive democratic parties.

The declaration appeared to be an attempt by Gorbachev to scrap policies of former Soviet leader Leonid Brezhnev, under whose leadership the Soviet Union exercised tightened control over its allies and Soviet troops invaded Czechoslovakia in 1968.

The joint declaration also showed that, for the first time in history, the Soviet Union has highly appreciated and acknowledged the contributions of the Nonaligned Movement, which is an "independent, non-bloc and global factor".

The declaration noted that the nonaligned nations are an independent organization opposed to imperialism, hegemonism, colonialism and unwarranted confrontations.

It stressed that all countries, large or small, enjoy the same rights in international relations and that their independence and sovereignty should be respected.

Yugoslavia is one of the 1961 founders of the Non-aligned Movement. The Soviet Union in the past decades has criticized the movement, however, Yugoslavia and other nonaligned members have rejected the Soviet notion that they are the Soviet Union's "natural friends."

Soviet Official Praises Agriculture System

OW181216 Beijing XINHUA in English 0637 GMT
18 Mar 88

[Text] Moscow, March 17 (XINHUA)—New types of cooperatives are ridding Soviet agriculture of two "enemies"—irresponsibility and egalitarianism, Aleksandr Nikonov, president of All-Union Academy of Agricultural Sciences, said today.

Speaking to reporters from socialist countries, Nikonov said the difficulties that Soviet agriculture is facing can be overcome by infusing the new system with scientific and technological advances.

Some Soviets are afraid that the new system departs from socialism, but that fear is groundless, he said, adding that the Chinese experience has proven it.

He said that family, collective and leasing contract systems which are now underway for experimentation throughout the country are three times more efficient than the traditional methods.

Northeast Asia

Underground Group in Japan Targets Foreign Envoys

OW211417 Beijing XINHUA in English 1318 GMT
21 Mar 88

[Text] Tokyo, March 21 (XINHUA)—An underground group which earlier claimed responsibility for a gunshot on the Chinese Consulate General in the southwestern city of Fukuoka on March 11 warned today that it will attack important foreign government envoys.

According to the KYODO News Service, the group, which calls itself "Hotaru 2," said in a statement that it will target envoys to shock Japan.

The statement was mailed today to the Fukuoka branch of the news service and other local press organizations.

The statement noted that the assault on the Chinese Consulate was not aimed at undermining friendly relations between Japan and China, but at accusing a Fukuoka prefecture high-ranking police officer of erroneously handling an investigation of Yakuza gangster groups.

The gunshot shattered a window in the boiler room of the three-story Chinese building, but no one was injured. Police have not yet arrested any attackers.

Fukuoka Mayor Apologizes for Shooting

OW191550 Beijing XINHUA in English 1508 GMT
19 Mar 88

[Text] Tokyo, March 19 (XINHUA)—The mayor of Fukuoka City apologized to Chinese Ambassador Zhang Shu today for a March 11 shooting incident at the Chinese Consulate General in the city and pledged to help police find suspects.

"We were very shocked at the incident which happened at a time when our Fukuoka citizens were enthusiastic about further developing Japan-China friendship," Keiichi Kuwahara told Zhang in a meeting at the Chinese Embassy here.

He stressed that the desire of Fukuokans to promote Japan-China ties remains unchanged by the attempt of a handful of people to undermine good relations between the two countries.

The Chinese ambassador said he was glad to see that the Fukuoka Municipal Government, the local people and press strongly oppose the anti-Chinese act and favor good relations with China.

Fukuoka, on the island of Kyushu, is approximately 1,180 kilometers southwest of Tokyo. An unidentified gunman fired a shot at the first floor of the three-story Chinese Consulate from a white passenger car at around 11:00 p.m. on March 11 and drove away. The shooting shattered a window in the boiler room, but no one was injured.

Police believe the shooting was the work of rightists and have established a team to identify and arrest them.

Sino-Japanese Joint Activities Highlighted

OW181111 Beijing XINHUA in English 1201 GMT
18 Mar 88

[Text] Beijing, March 17 (XINHUA)—Today's cultural news briefs: Guo Moruo's Former Home [subhead]

Work is under way to revamp the former home of Guo Moruo (1892-1978), China's literary giant, in his hometown in Leshan City, in southwest China's Sichuan Province.

The renovation of the 200-year-old old house will be completed by 1992.

Sino-Japanese Symposium [subhead]

Some 250 Chinese and 104 Japanese experts have gathered in Shanghai over the past three days to share their experience in digestive tract surgery at a symposium ending today. Sino-Japanese survey [subhead]

Some 20 Chinese and Japanese scholars have started their survey on the music and mythology of the Yao ethnic group inhabited in the Yao Autonomous County of Jinxiu in south China's Guangxi Province.

The survey, which began yesterday, is expected to last 15 days.

Chu Tunan Meets Visiting Japanese Diet Member

OW181200 Beijing XINHUA in English 0703 GMT 18 Jan 88

[Text] Beijing, March 18 (XINHUA)—Chu Tunan, vice-chairman of the Standing Committee of China's National People's Congress, met with Tadashi Kawano, member of the Japanese House of Representatives, and his party here today.

The Japanese visitors, who arrived here March 15, will also tour south part of China.

Amity Group Member Hails Korean Friendship

SK200740 Beijing International Service in Korean 1100 GMT 19 Mar 88

[Article by (An Sok-chong), member of an inspection group of the China-Korea Friendship Association which visited Korea recently: entitled "China-Korea Friendship Will Be Inherited Generation After Generation"]

[Text] For the past 35 years I waited eagerly for an opportunity to visit Korea. Finally, my desire for a visit to Korea was realized. I was indeed happy about this. It was the year of the 37th anniversary of the Chinese People's Volunteers' [CPV] participation on the Korean front and the year of the 37th anniversary of the [words indistinct] of my husband, who was the commander of a corps of the CPV, when we visited Korea.

We toured the Friendship Tower located at the foot of Mt. Moranbong in Pyongyang. The tower is the symbol of Korea-China friendship. A 5-pointed star twinkled on the top of the tower, sparkling as if China-Korea friendship and unity, which has been forged in blood, strengthened, and developed in the arduous course of the revolutionary struggle, were beaming rays like stars.

Upon arriving at the tower, we turned our eyes upon the epigraph written on it. The epigraph reads: The martyred CPV soldiers who struggled together with us against the joint enemies in this land, holding aloft the banner of resist America, aid Korea, safeguard the home, and defend the nation. Your immortal exploits and the internationalist friendship forged in blood between the people of Korea and China will be glorified forever in this land.

We moved our feet slowly and with (?deep) emotion, inspecting the tower. There was a big gate behind the tower. Upon entering this gate, 3 beautiful and (?splendid) wall paintings attracted our eyes.

Witnessing the wall painting which vividly depicted the scene of the outstanding Chinese sons and daughters valiantly and vigorously running, crossing the railway bridge of the Yalu River, holding aloft the banner of resist America, aid Korea, safeguard the home, and defend the nation, and the scene of the Korean people warmly receiving the brave CPV soldiers with kindred feelings; the wall painting which depicted the Korea-China friendship forged in the heroic struggle between the peoples and armies of the two countries of Korea and China; and the wall painting which depicted the CPV soldiers' assistance in the postwar rehabilitation construction of the Korean people, we could not repress our (?deep emotion).

There was a box made of metal at the front of the (?victory) hall. Contained in the box were the books of the (?name list) of fallen CPV soldiers. I could find the name of my husband on the first page of the book. At this moment, I was choked with grief, feeling as if I were meeting my fallen husband again. There were many names in the book of people whom I know.

Cherishing the memory of my husband and martyred CPV soldiers who fell on the Korean front, we felt deep gratitude toward the party, government, and people of Korea for this outstanding Korea-China friendship tower erected to inherit such assets of friendship generation after generation. As our friendship has such a firm foundation, we can inherit it generation after generation.

My sons and daughters are now serving in the army. I am sure that they will rejoice over this news from Korea. When I left Beijing for Korea, one of my daughters asked me to convey her best regards to President Kim Il-song, if I met him. My grandson, who is a senior middle school student, when he was 6 years old first wrote the characters: Long live China-Korea friendship.

Recalling the past days while visiting Korea, our fraternal country, I could not repress my deep emotion. While touring many places in Korea I could hardly express my joy at witnessing the grandeur and prosperity of Korea.

We will make all possible efforts to inherit this precious friendship forged and defended in blood between the peoples of the two countries of China and Korea generation after generation.

Paper Analyzes South Korean Economic Growth

HK200450 Beijing WEN ZHAI BAO in Chinese No 501, 10 Mar 88 p 8

[Article "summarized" from 23 February edition of XINWEN BAO: "How South Korea Has Soared to the Sky?"]

[Text] In 1961 South Korea's per capita gross national product [GNP] was merely \$83. But 25 years later, it had jumped to \$2,296, which was 27.6 times more than in

1961. The South Korean authorities have planned to increase the per capita GNP to \$4,000 by 1991.

This has been achieved mainly because in the early 1960's, South Korea adopted resolute measures to develop its export-oriented economy and gave all-out support to replacing import trade with export trade. Speaking in concrete terms: 1) South Korea's currency, which severely hindered its economic development, was devalued by almost 100 percent. 2) No effort was spared to support export enterprises, and subsidies were provided to export commodities so as to provide every convenience to export enterprises. 3) Tremendous efforts were made to raise funds for export enterprises; to this end, interest rates for savings deposits were raised so as to increase total savings deposits. In addition to this, measures were taken to secure sizable foreign investment, which resulted in a registered average annual growth rate of 39 percent in the national economy. Thus was South Korea's agricultural society turned quickly into an industrial society.

From the early 1970's to the early 1980's, South Korean authorities interfered energetically in economic life and took coercive measures to force the economy to change its direction. They promulgated programmatic documents for the development of heavy and chemical industries. As a result, machines, ships, cars, and chemical products that had to be imported were produced at home gradually, and export industries were also developed simultaneously. To curb competition with foreign products and protect newly developed industries, the South Korean authorities erected stair-like traffic barriers. The 12 large concerns that have emerged in South Korea have almost become a symbol of economic development there.

Another thing that should not be ignored is that South Korea attaches great importance to the development of education. It is estimated that in the 15 years between 1945 and 1960, the increase in the number of middle schools was nearly 200 percent, and the number of universities and colleges increased 13 fold. Western nations have said of South Korea that "a cheap labor force plus a relatively high educational level are the engine through which the South Korean economy has been revitalized."

Southeast Asia & Pacific

Thai, Lao Border Talks Fail To Reach Agreement
OW191037 Beijing XINHUA in English 1829 GMT
18 Mar 88

[Text] Vientiane, Laos, March 18 (XINHUA)—The government delegations of Thailand and Laos concluded their second round of talks on border dispute here this afternoon but failed to reach an agreement.

The Thai delegation was headed by Under-Secretary of State of the Foreign Ministry Kasem S. Kasemsi, while the Laotian delegation was led by Thonglay Kommasit, director of the General Political Department of the Lao People's Army.

Both sides agreed to continue the talks in Bangkok or Vientiane to settle the dispute over an 80-square-kilometer area between Thailand's Phitsanulok Province and Laos' Sayaboury Province.

The dispute caused armed conflict between border troops of the two countries, which began in November last year and ended in mid-February this year after military delegations of the two countries reached an agreement on ceasefire.

At a joint press conference here today after the talks, Laotian spokesman Phanthong Phommahasai said Laos does not oppose the Thai proposal to set up a joint commission to define the common border but the commission is to be set up only after principles on certain basic problems are clarified.

Thai spokesman Sarot Chawanawirat, however, said the principles are clear that the border should be [word indistinct] in accord with a Franco-Siamese treaty signed in 1907 and relevant maps.

The Thai side proposed to set up the commission at the first round of talks in Bangkok on March 3 and 4. It was said that the proposal had been brought up again at the second round of talks.

As for the defunct Thai-Laotian Cooperation Commission established in 1979, the Laotian spokesman said the resumption of the commission is beneficial to each other but this must be done after the border dispute is settled.

But the Thai spokesman said the commission is conducive to economic exchanges and trade between the two countries and should be resumed immediately.

Meanwhile, a Thai delegation member told reporters today it seems unlikely that the border dispute will be settled in the near future.

Sisavat Keobounphan, general chief of staff of the Lao People's Army, said anyway the dispute will be solved. Sisavat was head of the military delegation which reached the ceasefire agreement with its Thai counterpart last February.

The ceasefire was reaffirmed at the first round of talks.

Thai Soldiers Killed by SRV Mines at Border
*OW210300 Beijing XINHUA in English 0730 GMT
19 Mar 88*

[Text] Bangkok, March 19 (XINHUA)—One Thai soldier was killed and three others wounded yesterday in eastern Thai border by landmines planted by Vietnamese troops in Kampuchea.

According to a report reaching here last night, the incident happened yesterday afternoon in Aranyaprathet District, Prachinburi Province, near the Thai-Kampuchean border.

Four Thai soldiers stepped on landmines believed to be Soviet-made, when they were patrolling the area along the border, the report said.

Earlier this month, one person was killed and seven others wounded in the same district by Vietnamese-planted landmines.

SRV Will Not Free Detained Hong Kong Fishermen
*HK190301 Hong Kong SOUTH CHINA MORNING
POST in English 19 Mar 88 p 1, 2*

[By Nigel Yosser]

[Excerpts] Vietnam has demanded \$250,000 in fines and has threatened to confiscate the vessels of 32 Hong Kong fishermen detained without trial since November for allegedly fishing in Vietnamese waters off the disputed Spratly Islands.

Authorities in Vietnam say the fishermen will not be released in Ho Chi Minh City until they pay almost \$8,000 each and hand over their two fishing boats.

Diplomatic moves to secure the men's release broke down on Tuesday when a meeting in Hanoi between the British Ambassador to Vietnam, Mr Emrys Davies, and Vietnamese officials, ended in deadlock with Vietnam insisting the fishermen had illegally entered territorial waters.

Vietnam has declared an "Economic Exclusion Zone" around the Spratly Islands, the scene of fighting this week between the Chinese and Vietnamese navies.

The Spratlys, a group of 500 islets and coral reefs between the Philippines and Borneo, 520 kilometres southeast of Vietnam, are claimed by China, the Philippines, Malaysia, Taiwan and Vietnam.

Last night a spokesman for the Foreign and Commonwealth Office in London said the issue of the fishermen had been repeatedly raised with both the Vietnamese ambassador to Britain and officials in Hanoi.

"The Vietnamese take the line that the fishermen violated Vietnamese economic waters and will only be released on payment of a fine and confiscation of their boats," the spokesman said.

"The matter is now for the men's relatives and the Government to consider." Mr Davies has held talks with Vietnamese officials in Hanoi and managed to send embassy staff to visit the imprisoned fishermen in Ho Chi Minh City.

They were said to be in good health and were being well looked after.

In the past two months the fishermen have apparently been transferred to Ho Chi Minh City from a prison in the port of Vung Tao, 60 kilometres to the South.

Despite attempts to free the Aberdeen-based men, diplomats say Vietnamese bureaucracy may hinder their release from prison for up to a year.

In 1985 two Hong Kong fishermen alleged to have sailed their boat into territorial waters were released by Vietnam after spending 15 months behind bars.

They complained of forced labour and death threats from their captors.

In Hong Kong yesterday the Political Adviser's Office pledged to do its utmost to secure the men's release. [passage omitted]

Hong Kong's 25,000 fishermen have again been warned to avoid using the lucrative fishing beds around the Spratly Islands.

"Fishermen have been told to avoid the economic exclusion zones set up by the respective governments in the area," a spokesman for the Political Adviser's Office said. [passage omitted]

Cambodia's Sihanouk Tours Zhejiang Cities
*OW210603 Beijing XINHUA in English 1123 GMT
19 Mar 88*

[Text] Hangzhou, March 19 (XINHUA) — Prince Norodom Sihanouk, president of Democratic Kampuchea, and Madame Monique Sihanouk wound up their visit to the lakeside city of Hangzhou and left here this afternoon for a tour of Shaoxing, another city in Zhejiang Province.

Since their arrival in Hangzhou, the Sihanouks visited a silk printing and dyeing mill, the Hangzhou commercial college and a local farm.

Sihanouk also attended a Buddhist ceremony at Lingyin Temple, where he said he wanted to see close ties between the Buddhists in China and Kampuchea. He promised to send a Buddhist delegation to visit the temple after Kampuchea wins complete independence.

The Sihanouks were guests of honor at a banquet given by the provincial government March 14.

The guests are scheduled to visit the province's Ningbo City and Zhoushan Prefecture.

Near East & South Asia

More on Visit by Nepalese Parliament Delegation

Received by Qiao Shi

OW181622 Beijing XINHUA in English 1614 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA)—China strongly supports the proposal for a peace zone in Nepal put forward by King Birendra, Chinese Vice-premier Qiao Shi said today.

At a meeting with a delegation from the Nepalese Parliament, Rashtriya Panchayat, led by Chairman Nav Raj Subedi, Qiao said he hoped the proposal would win support from more countries.

China and Nepal are good neighbors, Qiao said. Their friendship and cooperation were further strengthened by the visit of King Birendra to China last year.

Qiao said China firmly supports Nepal's stand for upholding national independence and developing national economy.

He expressed the belief that with the development of economy the cooperative relations between the two countries will further be consolidated.

Subedi said he will return home convinced of the deep feelings of the Chinese people for the Nepalese.

He expressed thanks to China for helping Nepal's economic development.

Li Criticizes Dalai Lama

OW191150 Beijing XINHUA in English 1133 GMT
19 Mar 88

["Li Xiannian: Dalai Lama is in Fact Attempting To Split China"—XINHUA headline]

[Text] Beijing, March 19 (XINHUA) — Chinese President Li Xiannian said here today that the people of China, including the Tibetans, will never agree to the attempt to dismember China harbored by a small number of trouble-makers in Lhasa and abroad.

At a meeting with a delegation from the Nepalese Parliament led by chairman Nav Raj Subedi, Li said, "we have respect for the Dalai Lama, but he does not respect China, his motherland. He is actually attempting to split the country up."

Li thanked the Nepalese Government for making it possible for 10,000 Tibetans to live in peace in Nepal.

Subedi told Li that the Nepalese Government would never allow those Tibetans to do anything harmful to China.

Li held that to settle problems concerning religion or nationality it is necessary to adopt the principle of unity instead of crude tactics.

"The crude and 'leftist' policies formulated during the 'Cultural Revolution' (1966-76) have long since been corrected. The central authorities have adopted a policy of unity and mutual help. Another important principle is that the more than 50 nationalities in China should be united," he said.

Dwelling on the two big issues of peace and development facing the present world, Li Xiannian spoke highly of the great amount of work Nepal has done for unity and cooperation in South Asia. He hoped the region would remain peaceful and stable, that the countries in South Asia would treat each other equally and strengthen their unity so as to share common development. Only by retaining peace and unity in South Asia can the countries in this region undertake construction, Li said.

Subedi noted that China has always upheld peace, and Nepal expresses appreciation for this. "Nepal is also a peace-loving country. King Birendra and the Nepalese Government have always supported friendship and cooperation among the seven countries in South Asia and peace in the region," he stressed.

In his one-hour cordial conversation with Subedi, Li Xiannian also congratulated Nepal, under the leadership of King Birendra and the Nepalese Government, on its successes in developing its economy and raising the living standard of its people.

Among those present on the occasion was Bainqen Erdini Qoigyi Gyaincain (the Panchen Lama).

The Nepalese guests will leave here tomorrow to visit Zhengzhou and Guangzhou before going home.

Leaders Meet Arab League Delegation in Beijing

Li Peng Supports Struggle

OW201610 Beijing XINHUA in English 0921 GMT
20 Mar 88

[Text] Beijing, March 20 (XINHUA) — The Chinese Government and people will, as always, support the Palestinian and Arab people's just struggle against Israeli aggression and expansion, Chinese Acting Premier Li Peng said here today.

Speaking at a meeting with a delegation from the seven-nation committee of the Arab League here this morning, Li expressed his indignation at the Israeli authorities' brutal suppression of the Palestinian people in occupied territories.

He said China favors the convocation of an international conference on the Middle East issue presided over by the United Nations and hopes for an all-round and fair solution to the Middle East issue as soon as possible.

Li Peng said China, as a permanent member of the UN Security Council, will continue its efforts to support the Palestinian and Arab people's struggle against Israel's policy of aggression and expansion and for their legitimate national rights, and promote the earlier convocation of the international conference on the Middle East issue.

Faruq al-Shar', Syrian foreign minister and head of the delegation, briefed Li on the Palestinian people's struggle against the Israeli authorities' suppression. He condemned Israel's stubborn policy of aggression and expansion in disregard of the Palestinian people's legitimate national rights.

He thanked the Chinese Government and people for their support to the Palestinian and Arab people's just struggle.

Wu on 'Palestine Issue'

OW191723 Beijing XINHUA in English 1705 GMT
19 Mar 88

[Text] Beijing, March 19 (XINHUA)—Peace and stability cannot be realized in the Middle East unless the Palestine issue is settled, Chinese State Councillor and Foreign Minister Wu Xueqian said here today.

"The reason why the Middle East issue remains unsolved for so long is Israeli insistence on occupying the Arab territory and refusing to recognize the legitimate rights of the Palestinian people," Wu said during talks with a delegation from the seven nation committee of the Arab League.

Wu stressed that the Chinese Government and people support the brave struggle of the Palestinian people against the Israeli occupation of their areas and condemn the cruel suppression by Israel.

Israel must withdraw from the Arab territory it has occupied since 1967 and restore the legitimate national rights of the Palestinian people, Wu said.

He said that the Chinese Government supports the convocation of an international conference on the Middle East issue presided over by the United Nations and attended by parties concerned.

He added the Palestine Liberation Organization (PLO) should be able to attend the conference on an equal footing.

Wu stressed the importance of strengthening unity of the Arab countries and the PLO.

Syrian Foreign Minister Faruq al-Shar', head of the delegation, said the Palestinian people's struggle against Israeli occupation shows the Palestinian and Arab people refuse to accept Israeli occupation of Arab territory and the Palestinians will never tolerate neglect of their national right to be masters of their own home.

He praised the Chinese Government and people for their support in opposing Israeli aggression.

He said the delegation hopes by its visit to China to strengthen cooperation with the Chinese side to build world opinion against Israel to force the Israelis to withdraw so as to restore the legitimate national right to the Palestinian people and bring about an all-round and just solution to the Middle East issue.

Also attending the talks were Chadli Klibi, secretary-general of the Arab League, Hani al-Hassan, political advisor to PLO chairman 'Arafat, and Taieb Sahbani, Tunisian state secretary for foreign affairs.

XINHUA 'Roundup' on Stalemate in Afghan Talks OW191204 Beijing XINHUA in English 1147 GMT 19 Mar 88

["Roundup: Stalemate in Geneva Talks on Afghan Conflict" by Ma Guang—XINHUA headline]

[Text] Beijing, March 19 (XINHUA)—A political solution to the Afghan issue was locked in a temporary stalemate this week as the U.N.-mediated indirect Geneva talks failed to produce a peace accord on March 15 as the Soviet Union demanded.

The Soviet Government issued a statement that day announcing a postponement of the May 15 start of its troop withdrawal from Afghanistan. But the peace negotiations in Geneva were continuing.

The indirect talks between Pakistan and the Kabul regime resumed on March 2 under the direction of U.N. mediator Diego Cordovez. The talks produced some important developments as the two sides agreed that the Soviet troop withdrawal should have a time limit of nine months.

But after that, the talks stalled. Pakistan proposed a precondition that an interim government be established in Kabul after the peace accord is signed to ensure smooth implementation of the Geneva agreement and the return of millions of Afghan refugees.

The Soviet Union and the Kabul regime objected to the Pakistani precondition. Kabul representatives at the Geneva talks refused to discuss the interim government idea, arguing that it is an "internal matter."

The Kabul regime, however, accepts the fact that it cannot control all of Afghanistan and that peace in the wartorn Central Asian country cannot be maintained without the participation of the Afghan resistance in the government.

In light of the negotiation difficulties, Pakistan decided on March 13 that it would sign the accord if all concerned parties agree to begin preparations for establishment of a transition government in Afghanistan.

The Pakistani stand followed a National Assembly special meeting and conferences of political leaders and a public opinion trip by Prime Minister Mohammad Khan Junejo through four provinces.

The move shows that Pakistan no longer insists on establishing the interim government as a pre-condition for its signing the peace accord.

At the same time, the attitude of the Afghan resistance forces also changed considerably. Gulbuddin Hekmatyar, new chairman of the Islamic Alliance of Afghan Mujahideen (Seven-Party Alliance), said in a statement on March 14 that "Pakistan will never sign any accord harmful to Afghan people." That ensures acceptance of the Geneva accord by the resistance forces, and a move away from their earlier demand for direct talks with the Soviet Union.

It has become clear that Pakistan is ready to sign the Geneva agreement before the interim government is set up.

The U.S. offered to stop its military aid to the guerrillas if the Soviet Union ceases its military aid to the Kabul regime. However, the Soviets and Kabul regime have rejected the U.S. proposal. They believed that such a demand is an obstacle aimed at "imposing certain regulations" on the relations between the Soviet Union and the Kabul regime.

There is no sign that the Soviet Union and the Kabul regime will make a concession on the military aid issue.

A Soviet Foreign Ministry spokesman said on March 17 that if no agreement is reached in the Geneva talks, the Soviet Union will still keep its promise to withdraw troops from Afghanistan. But he did not indicate the date for such withdrawal.

Since the Soviet troop withdrawal timetable was reached on March 7, there has been no clear progress in the indirect talks. But the two sides are still conducting talks.

The U.N. mediator Diego Cordovez said "we need a comprehensive agreement that can be implemented rather than a rash one." Cordovez still has hope that the talks will succeed.

Power Delegation Meets Zia in Islamabad

OW202041 Beijing XINHUA in English 1845 GMT
20 Mar 88

[Text] Islamabad, March 20 (XINHUA)—Pakistan President Ziaul-Haq met with a Chinese delegation of the State Commission of Machinery Industry (SCMI) here this afternoon.

During the meeting, the president expressed satisfaction with the progress of Jamshore thermal power generation project in Sind Province, which is being installed with the help of Chinese engineers.

He also asked the Chinese side to attach importance to another proposed power station project.

Head of the eight-member delegation, SCMI Vice-Minister Ding Xiaonong, expressed his confidence that the Sino-Pakistan friendship and cooperation will further develop in the interest of the two peoples.

Ding called on Pakistan Prime Minister Mohammad Khan Junejo on March 19. Both sides hoped that the cooperation between the two countries in power generation and irrigation fields will be strengthened and widened in the future.

The Chinese delegation arrived in Pakistan on March 14. It will leave here for home this evening.

Sub-Saharan Africa

Organizations Condemn RSA Planned Executions

OW190941 Beijing XINHUA in English 1715 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA)—China's trade union, youth and women's organizations today strongly condemned the South African authorities for their planned executions of the Sharpeville six blacks.

A statement issued by the All-China Women's Federation demanded that the Pretoria authorities put an end to their barbarous suppression of the black people in South Africa and appealed to international women's organizations to take urgent measures to save the life of the six blacks.

The All-China Youth Federation also sent a message today to the African National Congress (ANC) Youth Department saying that the Chinese youth are always with their African "brothers and sisters."

An official from the All-China Federation of Trade Unions said that the 130 million Chinese workers will stand firmly by the side of the South African workers and people in their struggle against apartheid.

The five men and one woman were convicted in connection with the killing of a black township official in Sharpeville in September 1984 although no evidence had been produced to show their direct involvement.

The execution, which has prompted worldwide protest was scheduled to take place at dawn Friday. But the Pretoria supreme court has decided at the last minute to postpone the execution one month until April 18 after being informed that a witness in this case said police had tortured him into committing perjury.

'Roundup' Views Angolan Peace Initiative

OW191439 Beijing XINHUA in English 1056 GMT
18 Mar 88

["Round-up: No Quick Settlement in Angola" — XINHUA Headline]

[Text] Gaborone, March 17 (XINHUA)—March has seen a flurry of diplomatic moves by Angola to settle the 13-year old Angolan civil war and to win independence for neighboring Namibia.

Angola and Cuba have proposed a two-year timetable for pulling out about 40,000 Cubans from Angola in two stages. Chester Crocker, U.S. assistant secretary of state for African affairs, came to Luanda this week to discuss that issue.

South African Foreign Minister P.W. Botha flew to Geneva to meet with Crocker on Wednesday which was followed by the exchange of war prisoners between Luanda and Pretoria.

Angola is once again seeking direct talks with South Africa. South African President Botha has said that the door for direct talks is open, but only if all parties in the conflict are included. The U.S. and South Africa insist that Namibian independence must be linked to a withdrawal of the Cubans from Angola.

Pretoria and Washington have been backing the National Union for Total Independence of Angola (UNITA) rebels in fighting against the Luanda Government, while Cuba and the Soviet Union are supporting the Angolan Government. South Africa has said it might consider a direct deal with Moscow with conditions.

During their Geneva talks, Botha and Crocker did not flatly reject Angola's proposal although they said it was not concrete enough.

All this indicates that the nightmare situation that has surrounded Angola, South Africa and Namibia for years seems to be taking an interesting turn for another round of serious peace negotiations.

But a settlement will not be easy, because Pretoria and Luanda are still poles apart.

Pretoria insists on linking Namibian independence with the Cuban withdrawal from Angola and on including UNITA in the talks, while Luanda refuses to have anything to do with UNITA and promises to withdraw the Cubans if Pretoria and Washington stop backing the UNITA rebels.

Even if Pretoria pretends to accept Luanda's conditions, it will do the same it has done to the anti-government forces in Mozambique.

Pretoria signed the Nkomati accord of non-aggression with Maputo in 1984 but it continues to back the anti-government forces secretly by flying materials to them.

The climate for negotiations is favorable under Angola's initiative. However, anyone who sees a quick settlement is mistaken. The road to peace in this part of Africa is arduous and long.

West Europe

Li Xiannian Meets Norwegian Parliamentarians

OW181414 Beijing XINHUA Domestic Service
in Chinese 1128 GMT 18 Mar 88

[By reporter Feng Xiuju]

[Text] Beijing, 18 Mar (XINHUA)—President Li Xiannian told a delegation of Norwegian parliamentarians today that China is concentrating its efforts on the four modernizations and developing the productive forces.

He stressed: China will never forget the party's four cardinal principles while carrying out the modernization program. If these principles were abandoned, China would deviate from the socialist direction.

Li Xiannian told Jo Benkow, head of the delegation and chairman of the Norwegian Parliament: The world economy is an entity. So it is foolish to shut the door to try to engage in construction. That's why China implements the policy of opening to the outside world. Li Xiannian said: The policy of reform, opening up, and economic invigoration has been correct. But it is impossible for China, a big country with a population of 1 billion, not to have some problems.

He said: The present line being implemented by China is in fact the development of the line put forward by the Eighth CPC National Congress. "I am sure that the present party Central Committee, the NPC Standing Committee, and the State Council have the ability to lead the country well."

During the meeting, which lasted 1 and 1/2 hours, Li Xiannian briefed the visitors on China's revolutionary experiences from the Opium War to the founding of the PRC, as well as China's revolution and construction in the socialist period.

When asked about his views on China's history, Li Xiannian said: China has gone through different stages of feudal, semifeudal and semicolonial, and socialist society, and has experienced sufferings and disasters during this long historical period. He said: In its nearly 40 years of socialist construction, China has made mainly achievements but has also made some mistakes.

Praising President Li's briefing as very enlightening, Benkow said that his delegation's visit to China has been successful, and that they have learned a lot and found there is much for other countries to learn from China's experience.

During the meeting, Li Xiannian asked Benkow to convey his greetings to Norway's King Olav V and Prime Minister Mrs Brundtland.

Wang Renzhong, vice chairman of the NPC Standing Committee, was present at the meeting.

Li Discusses Mao Zedong

HK190345 Beijing ZHONGGUO XINWEN SHE
in Chinese 0718 GMT 18 Mar 88

[Report by Li Wei (2621 0251): "Li Xiannian Talks About His Views on Mao Zedong and Policy of Reform and Opening Up"]

[Text] Chinese President Li Xiannian talked about his views on Mao Zedong and the policy of reform and opening up when meeting a Norwegian Parliamentary Delegation headed by Jo Benkow, chairman of the Norwegian Parliament.

When questioned by his guests, President Li Xiannian talked about his views on China's historical process, experiences, and development.

President Li Xiannian thought that one erroneous deviation in Mao Zedong Thought was the "Left" deviation. Mao Zedong was daring and always wanted to accomplish things for China more quickly, but China lacked the necessary objective conditions. President Li Xiannian said that Mao Zedong made a lot of correct decisions. However, he himself later repudiated some of those correct decisions. That was indeed a tragedy in Mao Zedong's life.

Li Xiannian stressed that although Mao Zedong made some mistakes, "he had proved to be our great leader. People of my generation were all trained during Mao Zedong's era." President Li Xiannian also cited the mistake of the "Great Leap Forward," which happened in 1958, to explain that it was unfair to blame Mao Zedong for all the mistakes made by China.

Li Xiannian summed up China's experiences in the 40 years since the founding of the PRC as: "Great achievements but big mistakes."

President Li Xiannian said that before the 3rd Plenary Session of the 11th CPC Central Committee, there had been two fine periods in China. The first was between the founding of the PRC and 1957. During that period, all decisions were made in the light of the actual situation. All the people felt happy; China's economy developed in a planned and proportionate way. The second fine period was between 1962 and 1966. During that time, after China summed up the experiences and lessons of the "Great Leap Forward," the entire situation in China was good. However, the 10-year "Cultural Revolution" which began in 1966 was really a grave mistake.

When talking about the policy of reform and opening up to the outside world, President Li Xiannian pointed out that practice has proved that the China's policy of reform and opening up to the outside world has been correct. China must carry out the policy of opening up to the outside world because "it is foolish to shut the door to try to engage in construction on one's own."

President Li Xiannian said that the present line being implemented by China is in fact the development of the line put forward by the Eighth CPC National Congress. According to this line, China should concentrate its efforts on the building of the four modernizations and the development of the productive forces.

When talking about his first visit to China, Jo Benkow, chairman of the Norwegian Parliament, said that President Li Xiannian's talk, which "was of a kind that could not be heard anywhere else," was vivid and profound. Jo Benkow said that his delegation's visit to China had been a great success. His delegation members have learned a lot from the visit and all want to visit China again in the future.

PLA's Xu Receives Norwegian Defense Official
OW201623 Beijing XINHUA in English 1316 GMT
20 Mar 88

[Text] Beijing, March 20 (XINHUA) — Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army, met Arne Karstad, Norwegian state secretary of the Ministry of National Defence, and his party here this evening. This is Karstad's fourth visit to the country. He had visited China twice as a journalist.

Later, Xu hosted a dinner for the visitors, who arrived here this afternoon at the invitation of the Chinese Ministry of National Defence.

Report on Paris LE MONDE Interview With Wu
PM181110 Paris LE MONDE in French
18 Mar
88 p 4

[Patrice de Beer report: "The Sino-Vietnamese Naval Incident"]

[Text] On Thursday 17 March, Vietnam proposed to China the opening of "preliminary talks" on the problem of the Spratly Islands where there has just been a naval incident, and on other border questions, the Vietnamese foreign ministry spokesman announced.

On Wednesday, China reported an unspecified number of casualties caused during the incident, according to Francis Deron, our Beijing correspondent. Vietnam stated that Chinese gunfire had first set fire to two of its ships and that a third was subsequently attacked when it tried to help them.

According to the analyses of Western diplomats in Beijing, China recently seems to have decided to solve the old problem of the dispute over the Spratly Islands to counter increased Vietnamese presence in the islands and thus to prevent the establishment of a status quo which would be detrimental to it. Beijing does not want a hypothetical reduction in tension in the region to force it to exchange its own sovereignty over these islands for its sovereignty—which Hanoi also disputes—over the Paracel Islands in the northern part of the South China Sea. This is particularly important, because the Chinese Air Force does not have the means of providing permanent cover for these islands and reefs (some of them are even below sea level) which are situated some 1,600 km from the nearest Chinese air base.

Before leaving for Beijing on Wednesday after a short visit to Paris, the Chinese foreign minister tried to play down the incident. Replying to questions from LE MONDE, he spoke of a "clash," and a "rather unimportant conflict," and expressed the hope that "it will not deteriorate." Wu Xueqian clearly blamed Vietnam for the incident, stating that it opened fire on an oceanographic mission carrying out research for UNESCO. He did not mention any Chinese military presence.

Mr Wu refused to link the Spratly Islands incident with the Cambodian crisis. In this connection, he reaffirmed Beijing's confidence in Prince Sihanouk, and repeated that a solution to this conflict depends on the withdrawal of Vietnamese troops and direct dialogue between the prince and Hanoi. China is in favor of a Khmer government "comprising several factions, led by the prince, with international guarantees to which China is prepared

to contribute." "The international community, the Cambodian people, and China," he said, "will not allow the Heng Samrin regime or the Khmers Rouges to be the dominant force in a future government."

The Tibetan Crisis [subhead]

Mr Wu also had harsh words for the Dalai Lama, 10 days after the anti-Chinese riots in Lhasa: "He thinks he is an important person. He is trying to negotiate with third countries about the so-called problem of Tibet's independence. He has no authority to do so and his machinations are totally reprehensible." By forcefully reaffirming Beijing's traditional position immediately after the Lhasa clashes, Mr Wu seemed to want to put an end to speculations that China might modify its policy in Tibet and move toward pacification, or that it wants to reopen dialogue with the Dalai Lama.

"If the Dalai Lama wishes to return to China, he will be welcome—as a religious dignitary—and if he wishes to leave again, we will allow him to do so," Mr Wu continued. "But in recent years he has behaved like a political refugee, indulging in activities aimed at dividing the homeland, slandering China, and distorting the situation in China and Tibet. In the United States last October he launched numerous anti-Chinese slogans which were quickly taken up in Tibet. It is easy to imagine what he would do if he returned to Tibet." Beijing is, therefore, still opposed to the Dalai Lama returning to Lhasa.

During his visit to Paris, Mr Wu had talks with [French Foreign Minister] Jean-Bernard Raimond. The Chinese minister said that Franco-Chinese relations had "great potential," and he expressed the hope that they will progress in the cultural sphere and in the sphere of scientific, technical, and economic cooperation. The two ministers stressed the similarity of their analyses of major world problems. Finally, they discussed plans for the construction of new embassies, aimed at clearly showing the quality of bilateral relations, and the possibility of opening a French consulate in Canton where several hundred French businessmen and technicians are living with their families.

East Europe

Huang Hua Meets Polish Sports Minister
OW190129 Beijing XINHUA in English 1255 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA)—Vice-Chairman Huang Hua of China's National People's Congress Standing Committee met here today Aleksander Kwasniewski, chairman of the Polish Commission of Youth and Sport, and other members of a visiting Polish sports delegation.

At the meeting in the Great Hall of the People, Huang briefed situation of China's economic progress and reforms in recent months and expressed hope that the two countries expand sports exchanges in the future.

Kwasniewski, who is also chairman of the Polish Olympic Committee, said he was satisfied with the fact that officials of the two countries had reached an agreement on this year's sports exchanges.

The Polish minister also hoped youths of the two countries further their mutual understanding and try to find ways to contribute more to the process and reforms of their motherlands.

He Zhenliang, vice-minister of China's State Physical Culture and Sports Commission, and Polish Ambassador Zbigniew Dembowski were present at the meeting.

The Polish delegation arrived here Tuesday.

Li Yuanchao, member of the Secretariat of the Chinese Communist Youth League Central Committee, met the Polish visitors here Thursday.

CPC Central Committee Holds 2nd Plenary Session

Zhao Delivers Work Report

HK211128 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 21 Mar 88 pp 1, 4

[Text] Beijing, 20 Mar (XINHUA)—On behalf of the Central Political Bureau, Zhao Ziyang, general secretary of the CPC Central Committee, delivered a work report at the 2d Plenary Session of the 13th CPC Central Committee on 15 March. In this report, he talked about the major work of the Central Political Bureau in the past 4 months and more, as well as ideas and arrangements for further implementing the 13th CPC National Congress' guidelines in the future. In particular, he pointed out that after the 13th CPC National Congress, the whole party's central task has been to let reform play a dominant role in overall work and organize efforts to implement the resolutions of the 13th CPC National Congress.

Zhao Ziyang's report consists of six parts, namely: 1. On the Succession of the People's Congress and the CPPCC; 2. On the Economic Situation; 3. On Speeding Up Economic Development in Coastal Areas; 4. On the Formulation and Implementation of the "Enterprise Law"; 5. On Party Building; 6. On Social Consultation and Dialogue.

Namelist of Candidates for Major State Leaders Are Appropriate, Emphasis of Structural Reform Is on Changing Government Functions. [subhead]

Talking about the succession of the People's Congress and the CPPCC, Zhao Ziyang said: After conducting adequate deliberations and consulting with all democratic parties and groups, nonpartisan patriotic personages, all civic organizations and people from all walks of life, the Political Bureau worked out a namelist of recommended candidates for the state president and vice president, chairman of the NPC Standing Committee, premier of the State Council, chairman of the State Military Commission, and chairman of the CPPCC National Committee. It also came up with a namelist of the recommended candidates for the vice chairmen of the NPC Standing Committee, vice premiers of the State Council, vice chairmen of the Military Commission, vice chairmen of the CPPCC National Committee, president of the Supreme People's Court, procurator general of the Supreme People's Procuratorate, and state councillors. The Political Bureau considers the above candidates appropriate and submits their names to the plenary session for deliberation.

The personnel arrangement made at the 13th CPC National Congress was received favorably inside and outside the party, and was considered to be in conformity with the fundamental interests of the party and the people, and to be an organizational guarantee for the fulfillment of the tasks presented by the 13th CPC

National Congress. In other countries, the arrangement also received favorable responses and was regarded as testifying fully to political stability in China and continuity in implementing the reform and open policy. The namelist of recommended candidates for major state leaders was worked out through prolonged deliberations and overall consideration when making personnel arrangements at the 13th CPC National Congress. It is actually an important part of the overall personnel arrangement of the 13th CPC National Congress. Since this question is vital to the overall situation, the Political Bureau deems it necessary to submit to the plenary session for deliberation and approval. The Political Bureau demands party member-comrades attending these two meetings to exercise their democratic rights correctly and carefully, play their role actively, and exert their influence as party members, and join nonparty deputies and CPPCC committee members in making the two meetings a success.

The upcoming People's Congress will examine and approve the State Council's structural reform program, which was discussed at the Second Plenary Session of the Political Bureau. Comrade Li Peng will make a special explanation in the Government Work Report. Structural reform is an important task for reforming the political system laid down at the 13th CPC National Congress. This reform is still transitional in nature. The emphasis is not on reducing the number of government agencies, but on changing their functions. Newly established agencies or existing ones should concentrate on changing their functions, delegating certain powers to lower levels, streamlining their organs, reducing their staff, overcoming bureaucratism, and raising work efficiency. The Political Bureau demands that all Communist Party members working in the State Council, the party's senior cadres in particular, do their share earnestly in structural reform, and strive to create a new atmosphere in government work.

Deepen Reform To Further Liberate the Productive Forces, Use the Law of Value To Promote Economic Development [subhead]

On the economic situation, Zhao Ziyang said: Last year, China's economic situation was fine. Major progress was made in reform and construction. The economic growth rate was fairly high and normal. Under the traditional system in the past, we had to sacrifice speed in order to achieve stability, and we tended to go blindly for the construction of large-scale projects if we wanted speed, which led to instability. Last year, a new situation began to emerge in China's economy, which was characterized by a combination of growth and stability. This was the result of upholding reform. There is much experience of our success that we should summarize and continue applying. The most valuable experience is that if we let reform play a dominant role in overall work, an economic situation will appear when invigoration of the microeconomy and control of the macroeconomy would

facilitate each other; speed and good results would be gained at the same time; and reform, development, and stability would promote one another.

What will be the trend in the future? This year and for several years to come, can we maintain a fairly rapid and sustained economic growth while improving efficiency and ensuring a stable and balanced development? The Political Bureau considers it possible. The reasons are: First, intensification of reform of the economic system will continue to promote a smooth economic development. The institution of the contract system in enterprises, in particular, provides a fairly solid groundwork for achieving both speed and results. Second, China is in the transitional period when the people, now just having adequate food and clothing, are becoming well-off. With the changes in economic structure and the mushrooming of village and town enterprises, large numbers of agricultural laborers continue to switch to industrial production. This may generate a great momentum leading to a sustained growth of industrial production, even the national economy as a whole. Third, the international industrial setup is undergoing a major readjustment at present, when labor-intensive industries are shifting from developed nations to developing nations that have well-trained workers and where costs are relatively low. This helps to develop and utilize greatly China's labor resources, and affords a rare opportunity for China's economic growth. Fourth, while opening wider to the outside world, we may make use of the world market to exchange what it has with what it needs, make up for our deficiencies by borrowing other's beneficial experiences, and achieve a balanced economic growth. This would help change the situation in which the entire economic development is hampered by the shortage of certain goods. Fifth, despite the sabotage during the 10 years of "Great Cultural Revolution," we managed to create good conditions for sustained development in the next 10 years, thanks to the nearly 10 years of preparation since the 3d Plenary Session of the 11th CPC Central Committee. Key construction projects in the energy, transport, and other industries completed during the Sixth 5-Year Plan period, as well as the technologies imported during that period, have begun yielding results. Experience gained in construction and reform in recent years has also increased our foresight in work, and our ability to steer through complicated situations. In a word, we should and can do our work better in the future. We should further emancipate our minds, stabilize the economy, deepen reform, and further liberate China's productive forces.

As a developing country, China needs both economic growth and stability. Without economic stability, it is impossible to maintain a sustained economic growth and social stability. Without a certain level of economic growth, many contradictions will become more acute. In a word, we need both economic stability and growth. We need a better result as well as a fairly high growth rate. The two should be given overall consideration and properly managed. We should allow all localities to

proceed from realities, and take measures appropriate to their local conditions to explore and master the best combination between the two. We should use the law of value to stabilize the economy and promote its development, and analyze and tackle the new economic problems in accordance with the objective requirements of the law of value. To develop socialist commodity economy, we should master the law of value. Under the traditional system, it was impossible to learn the law of value even if we wished to. Now that the old system is being replaced by the new system, it is imperative to solemnly call on the whole party, especially party members who are responsible cadres in charge of economic work, to learn to swim in the ocean of commodity economy and master things which have been unfamiliar to us.

The most prominent question in the current economic situation is excessive price hikes. The focus of prices is on food prices, with which urban dwellers are most concerned. Last year the nation's retail price index rose 7.2 percent, of which 65 percent was caused by increases in the prices of farm and sideline products. The fundamental way to solve the problem of food prices lies in expanding agricultural production so as to increase the supply of farm and sideline products. In a large developing nation like China it is impossible to develop agriculture by relying on state investment alone. The most important thing is to learn to use the law of value in dealing with peasants and attract all available manpower, material, and financial resources to agricultural production. China's countryside has embarked on the path of commodity economy. Prices should send the message that can most effectively guide agricultural production. Fluctuations in the production and supply of farm products may result if peasants are misled by distorted prices, if prices are not readjusted or decontrolled as they should be, or if prices are suddenly raised to rush-purchase certain farm products or suddenly reduced to stop the purchase of some farm products. This will lead eventually to structural imbalance between supply and demand, as well as uncontrollable prices. Therefore, it is imperative that the misconception that stabilizing prices means freezing them be dispelled. We should follow these principles in price reform and pricing work: 1. Irrational prices that hamper the development of production should be consciously readjusted step-by-step, so that fluctuation in prices helps rationalize the production structure and product mix. At the same time, unauthorized price hikes should be resolutely checked. 2. When prices of major food items go up, proper compensation should be given to workers so that the masses' livelihood is not affected seriously. We still lack experience in safeguarding the interests of both the producers and the consumers. We should explore actively this question in practice. Having solved the question of food prices, we should be able to create favorable conditions for reforming the entire price structure and price management system.

Act Boldly in Implementing the Coastal Development Strategy, Place Hope on Science and Technology in Developing the Export-Oriented Economy [subhead]

Part three of the report deals with speeding up economic development in coastal areas. Zhao Ziyang said: The strategy recently put forth by the Political Bureau for accelerating the economic development of China's coastal areas is a national as well as regional strategy. The implementation of this strategy will facilitate the development of coastal areas; bring along the development of inland areas; and give great impetus to reforming the systems of foreign trade, science, and technology and finance, banking, and pricing, as well as enterprises. The implementation of this strategy will serve as an important link in fulfilling the construction and reform tasks set by the 13th party congress. Over the past 2 months the State Council has held a series of meetings to arrange for and implement this strategy. Some departments and localities have already taken steps and, focusing on this strategy, worked out reform plans and measures to improve their work.

There are many favorable conditions as well as difficulties in carrying out this strategy. In particular, great efforts must be made to orient production to exports and help Chinese goods enter the international market. At present there are serious incompatibilities in the foreign trade system, enterprise management, the quality of workers, and the integration of scientific and technological advance with economic development. These must be corrected. The key to implementing this strategy lies in reform.

The foreign trade system should be reformed boldly. The customs, import and export, and foreign exchange administrations should take the initiative to create favorable conditions and improve their work style. This is the way to facilitate foreign trade on a large scale and at any time so as to keep abreast of the sharp competition on the fast-changing international market. All regulations and work styles that go against this requirement should be rapidly overhauled. Concrete steps should be taken at this time to reform the foreign trade system. The main contents of the reform are all-around implementation of the contracted managerial responsibility system with regard to foreign trade and putting an end to the practice of allowing everyone to eat from the same big pot. Foreign trade enterprises should be given full authority over management if they assume full responsibility for profit and loss. When this is done it will be easy to improve coordination between industry and foreign trade and will lead eventually to a system whereby foreign trade corporations can act as agents for other enterprises in the export of their products. Meanwhile, we must not overlook overall coordination.

It is necessary to give full scope to the tremendous role science and technology can play in developing an export-oriented economy. Compared with a number of other developing countries, in China science and technology is

a relatively strong sector. The problem is that integration of science and technology and the economy has not been solved well, and it takes too long to translate the results of scientific and technological research to productive forces. This situation will change as soon as science and technology is integrated into the lively structures of the village and town enterprises. For a period of time to come, village and town enterprises should be treated as an important base for promoting the application of scientific research results. Scientists and technicians should be encouraged to take part directly in production by building vigorously a number of high-quality, export-oriented village and town enterprises in various ways, including the transfer of technologies for compensation, exchanging technologies for shares, managing an enterprise by contract, and so on. Large and medium-sized enterprises should play a key role in implementing the strategy for developing the economy in the coastal areas. When these enterprises have further invigorated themselves and further progress is made in reforming the science and technology structure the problem of integrating science and technology into the economy will be better resolved. In light of the existing conditions, the coastal areas should strive to develop high-quality and competitive labor-intensive products and integrated labor- and technology-intensive products for export. Long-term efforts must be made to develop technologically advanced industries actively and export more hi-tech products. In the final analysis, the success of the development strategy for the coastal areas depends on science and technology. China's science and technology resources should contribute as much in this respect as possible.

We welcome more foreign businessmen to invest in China. We should encourage more foreign businessmen to open wholly owned enterprises here. At the same time, we have to upgrade existing enterprises by establishing more Sino-foreign joint ventures and adopt advanced technology, managerial expertise, and sales networks. Experience in the past few years shows that letting foreign investors manage directly their wholly owned enterprises and allowing foreign businessmen to manage or play a dominant role in the management of Sino-foreign joint ventures and cooperative enterprises, according to international practice, has many advantages. The view that letting foreign businessmen manage our enterprises in accordance with law is "giving up sovereignty" is incorrect. We must change this view. Many enterprises in China are far behind those of the developed countries in the level of operations and management. Forcing their backward management methods upon Sino-foreign joint ventures, Sino-foreign cooperative enterprises, and wholly foreign-owned enterprises would inevitably turn these three kinds of partially or wholly foreign-owned enterprises into something that is neither fish, flesh, nor fowl and leave them neither dead nor alive. We would gain nothing if foreign businessmen could not make any money here. If we truly want to invigorate China's economy, we should consider these

three kinds of partially or wholly foreign-owned enterprises training centers for managerial personnel. When we have truly mastered the foreign advanced managerial experience, we will also see an improvement in the management of our own enterprises. Our existing enterprises—advanced and backward ones—all have very great potential. Once management is improved, the labor quality and efficiency of their workers will also improve and their economic results will increase quickly.

Generally speaking, China must base itself on the vast domestic market, but the coastal areas are truly equipped to develop an export-oriented economy. Implementing the development strategy for the coastal areas does not mean the inland areas can do nothing to develop their own export-oriented economies. Nor is it absolutely required for the coastal areas to "put both ends of the production process [raw materials procurement and product marketing] on the world market," which, moreover, would take some time to do. The coastal areas can still use the resources the inland areas are capable of supplying. Coastal and inland areas should develop lateral economic cooperation energetically between them in order to tap inland resources. Many enterprises in the inland provinces are fairly well equipped technologically. They should fully develop their potential. We must take an all-around view with regard to these questions and analyze and handle them by seeking truth from facts.

Comrade Deng Xiaoping pointed out recently: In carrying out the coastal development strategy, we must act boldly, quicken our steps, and never let opportunities slip by. Speaking about questions of economic reform and development, he once again pointed out: When opportunities come, we must be resolute. This is the consistent and correct view Comrade Xiaoping has held in the past few years. He has always encouraged us to act boldly in carrying out reform and blazing new trails and not to be afraid of taking risks. What worries him is that we act hesitantly and become too cautious—that we may let opportunities slip by us. These considerations of Comrade Xiaoping are based on a scientific analysis of the current international and domestic economic and political situation. We will have much need of such Marxist insight and courage, and it will be necessary for us to have a sense of urgency when important opportunities for invigorating the economy knock on our door. We should implement this spirit conscientiously in the future as we carry out the policies of reform and opening to the outside world and of economic construction.

The Time Is Ripe for the Promulgation and Implementation of the Enterprise Law, the Core of the Question Is To Do a Good Job in Separating the Party From Administration in Enterprises [subhead]

On the formulation and implementation of the "Enterprises Law," Zhao Ziyang said: The "State-Owned Enterprises Law (draft)" was discussed at the Third Plenary Session of the Political Bureau in the middle of January this year. The NPC Standing Committee has

distributed the draft for discussion by the whole people, to solicit their opinions. It has also made some revisions to the draft, which will soon be submitted to the First Session of the Seventh NPC for its examination and approval.

Why must we enact the "Enterprises Law" now? Because we are faced with this situation: Tremendous progress has been scored in reforming enterprises in recent years, the report to the 13th National CPC Congress shed light on many issues theoretically, and unanimous understanding has been achieved in many fields—this is point No 1. Point No 2 is that the achievements already made in reforming enterprises need legal protection. Enterprise reform must climb another new step so that enterprises can truly become legal persons who can manage their own affairs with full authority and assume full responsibility for their profits and losses. All this also needs a legal basis. Point No 3 is: Although certain progress has been made in the past few years in reforming the leadership system in enterprises, relations of various types have not become completely rational. After enterprises gain more authority, things should be done strictly according to law, between the government and the enterprises and between one enterprise and another. In this situation the role of the factory director (manager) as the legal representative of the enterprise must be defined clearly. Therefore, the time is now ripe for the promulgation and implementation of the "Enterprises Law."

The gist of the "Enterprises Law" is the separation of ownership from managerial authority. First, there will be no change in the ownership of the state-run enterprises, which will remain in the hands of the whole people, but managerial authority in these enterprises must be handed over to their managers. Second, the managerial authority delegated to enterprises should be understood in a broad sense: It refers to the right to possess, use, and dispose of enterprise assets. All questions such as how the enterprises should operate and develop and how their assets can be transferred according to law—including the purchase of each other's shares, mutual investment, joint operations, and mutual transfer of assets—can be and should be decided by the enterprises themselves in accordance with the provision of law. All production and business operations of enterprises are legal unless they run counter to the "Enterprises Law" or other relevant laws. This should be used as a criterion when we judge whether that law is being implemented conscientiously.

In implementing the "Enterprises Law" it is necessary to carry out supporting reforms and improve and develop the contracting system in enterprises, which is an effective and widely applicable method of separating ownership from management at the present stage in China. This experience is gained through repeated practice. Right now, we must regard the mechanism of competition as a focal point in promoting the contracting system in enterprises and pay full attention to this point.

Through competition and contracting we will be able to train large numbers of capable, efficient, competent, and outstanding entrepreneurs who are imbued with a pioneering spirit and good at relying on workers. This is where the fundamental interests of China's working class lie. The system of enterprises that run other enterprises on a contract basis is a new development of profound significance in the enterprise contracting system. It reflects the principles of "selecting the superior and eliminating the inferior" and "enhancing strong points and eliminating weaknesses, protecting competition, and encouraging associations"—a principle that we have promoted for many years. It is conducive to using economic means to break down the blockade between different areas and smash the barriers between different departments and regions. With the contracting system as the key, the enterprises should energetically apply the "full-capacity working method" and various forms of economic responsibility system and clarify the responsibilities, powers, and interests of all workers so as to tap the huge latent manpower, material, and financial resources there.

Arousing the initiative and creativeness of the broad masses of workers is crucial to implementing the "Enterprises Law." The 13th National CPC Congress has already clearly pointed out that no matter what type of managerial responsibility system is implemented, we must invariably pay attention to arousing the workers' initiative and creativeness. Right now, in building the democratic system at the basic level we must place emphasis on improving the system of workers' congresses and the trade unions in various enterprises. We must ensure not only that enterprise managers are able to exercise their managerial powers independently and with authority, but also that workers are able to enjoy their democratic rights fully and display their role as masters of their enterprises. This is a cardinal principle that we must follow in running socialist enterprises well, and a common task of each enterprise's director, the workers' congress, and the trade union. As for the trade union's status and role in each enterprise, the central authorities are studying and working on documents to be submitted to the legislative organ after being perfected through practice, so that they will become the relevant laws.

Separating the functions of the party organizations and management in enterprises is core of the issue for implementing the "enterprise law." Under the law, the director is the legal representative of the enterprise, who plays the central role in it, and assumes full responsibility for it. The law reflects the party's views on enterprise reform at the current stage. In implementing the law, party organizations in enterprises must first of all ensure the establishment of the director responsibility system. They must act in strict accordance with the revised party Constitution as was adopted at the 13th party congress; that is, they will no longer provide centralized leadership as they did in the past. However, they will, through their

role as the militant bastions of the party and the exemplary role of party members and by conducting ideological and political work among the masses, play a supervisory function, mobilize the workers, and ensure that the party's line, principles, and policies and the state's laws, decrees, and plans are implemented and that various tasks of the enterprises are accomplished.

Party and Government Cadres Should Maintain the Style of Being Honest in Performing Official Duties, Degenerated Elements Must Be Expelled From the Party [subhead]

With regard to party building, Zhao Ziyang said: While making important decisions on speeding up reform and opening up, the Political Bureau has also placed the issue of party building high on its agenda. The first Political Bureau plenary meeting adopted work rules for the Political Bureau of the CPC Central Committee and its Standing Committee and the Secretariat. The establishment of a new work system for the central leading organs will be conducive to the strengthening of collective leadership and the implementation of the principle of separating the functions of the party from those of the government.

The Secretariat of the CPC Central Committee held two forums last December to discuss the issue of improving party work style. The general consensus is that we cannot understand this issue correctly, nor will we solve it correctly without reference to reform and opening up. Developing a socialist commodity economy through economic structural reform and developing socialist democracy through political structural reform will, once and for all, decrease the soil for unhealthy tendencies. This is the way to get at the root of the problem. We must conscientiously combine the structural reforms with strictly enforcing party discipline. We should start with the problems concerning structural reform about which the people have complained the most and for which conditions are ripe for solution, and solve them one by one in earnest. Efforts should be made to institute a system of public service and provide the people with the opportunity to compete on an equal footing. If this is done, unhealthy tendencies in personnel matters will be reduced. While implementing the "Enterprise Law," enterprises should carry out reform of the personnel system. It is necessary to uphold the system of holding elections with more candidates than the posts to be filled so that cadres are educated about democracy and subject themselves to supervision in a lively democracy. In connection with institutional reform, efforts should be made to overcome bureaucratism, improve work efficiency and work style, and open, as much as possible, the operation systems of the various government departments so that they can be subjected to the supervision of the people. It is necessary to speed up the reform with regard to the commercialization of housing in order to minimize the irrational phenomena in housing distribution.

With the development of a commodity economy, there rises a new problem which must be solved in earnest; that is, how to make party and government officials go on serving the people wholeheartedly and remain honest and clean. We should have a prosperous economy and clean party and government organs. To achieve this, educational work aimed at improving the overall quality of party and government officials should be stepped up; relevant regulations and legal systems should be perfected; the economic supervisory departments should be reinforced to keep a close watch on public servants; and wages of public servants should also be raised step by step with the development of production and the increase of state financial resources. We should attend to the establishment of systems in real earnest, which is, however, an undertaking that requires time. All communists must play the role of a communist, be the first to be concerned about their country and people and the last to enjoy themselves. Grave law-breaking activities, such as abusing one's power to extort money, graft, embezzlement and betraying the nation's interests, must be dealt with strictly in accordance with law and discipline. Corrupt elements within the party must be expelled from the party. This is a matter of principle. On the questions of achieving economic prosperity and preserving the fine tradition of performing one's official duties honestly, the coastal areas should march ahead and create experiences for the nation. This is also an important part of the reform of the political structure.

The issue of curtailing the purchasing power of social groups strictly and combatting the trend of extravagance and wastes vigorously should be stressed here again. Right now, many government organizations, enterprises, and institutions indulge in extravagance and wastefulness, and parade their wealth. The masses are unhappy about this trend. It will be disastrous if we do not combat such a trend vigorously. It is not only for the purpose of saving money that we must combat such a trend. More important is the fact that we are doing so for the purpose of changing the general mood of society, maintaining ties with the masses, and filling people with enthusiasm to build enterprises through arduous efforts. From the central level to the localities and to the grass-root level, all government organizations, enterprises, and institutions must bring into full play the fine traditions of building the country with diligence and frugality and building enterprises through arduous efforts, and attain notable results in this connection.

It is necessary to vigorously strengthen party building in various basic-level party organizations. The 13th National CPC Congress has called on grass-root party organizations to carry out their day-to-day work in seven aspects; that is, they should "provide constant education, maintain strict supervision, carry out criticism and self-criticism, strengthen party discipline, expel degenerates, and properly handle those who are not entirely qualified for membership, admit excellent people, encourage healthy practices, and resist unhealthy ones." All this is of great significance in strengthening party

building. For a long time, many grass-root party organizations have been busy doing administrative work. They have no time to take care of this extremely important day-to-day work. With the development of economic and political reforms, tremendous changes have taken place in the functions of the grass-root party organizations. They should concentrate their efforts mainly on building the party itself and, at present, particularly on improving its system of organizational life. Leading party organizations have the responsibility to guide grass-root organizations in changing their functions, so that they do a good job in regular party work.

Party building should be strengthened so as to develop the socialist spiritual civilization as a whole. The reform and open policy call on us to further emancipate the mind and step up theoretical research, artistic creations, and other cultural activities to keep the society as a whole in a fine atmosphere characterized by lofty ideas, high moral standards, good education, and a sense of discipline. In the past few months, the Political Bureau and the Secretariat have made arrangements to expand and deepen theoretical research regarding the initial stage of socialism and prepare for a theoretical forum marking the 10th anniversary of the 3d Plenary Session of the 11th CPC Central Committee and the Fifth National Writers and Artists Congress. They have also taken positive but careful steps to spur on the reforms in news media, publication, and literary and art work and to strengthen and give better guidance to the study of ideological and political work at grass-root levels. All this work must be carried out in a down to earth manner with effective results.

The Political Bureau suggests that the party committees at all levels regard party building, which includes the strengthening of party building ideologically and theoretically, building of a contingent of cadres, improvement of party style and party discipline, and the development of grass-root organizations, as an important item on their daily agenda and pay full attention to this item, and that they conduct investigation energetically and research and make preparations so that the central authorities may hold a meeting at an appropriate time to discuss issues in this connection alone.

Consultations and Dialogues Should Serve the Smooth Progress of Reform, Tell the People of the Whole Country About the Truth of Major Issues [subhead]

The last part of the report dwells on consultations and dialogue. Zhao Ziyang said: Since the 13th National CPC Congress, many localities, departments, and units carried out activities of all forms for consultations and dialogue. In general, they have attained positive results.

The central theme of the consultations and dialogue is the correct handling of contradictions among the people. Under a socialist system, contradictions between interest groups still exist among the people, and the correct policy lies in timely and proper handling or mitigation of

contradictions instead of sharpening or evading them. A great number of social contradictions can be solved by reforms. But, during the reforms, new forms of conflict and adjustment between different interest groups will arise inevitably. Therefore, at present and for a considerable time to come, consultations and dialogue should be held to ensure the smooth implementation of the various measures taken in the reforms, to mitigate social contradictions and consolidate stability and unity.

Social consultations and dialogues should be held at various levels.

It is not advisable to hold too many nationwide consultations and dialogues. Emphasis should be placed on major questions concerning reforms. The discussions by the whole people of the "Enterprises Law (Draft)" mentioned earlier can be considered a nationwide dialogue. From now on, opinions of the people from all walks of life should also be solicited before or after a decision is made upon such draft laws concerning major reforms, as well as plans for major reforms such as price readjustment and reform of the labor and wage system. We should seriously hear the opinions of all concerned quarters and, together with them, analyze what is advantageous and what is not and work out the measures to be taken. We must speak the truth to the people of the whole country about major incidents concerning social stability, we must explain policies, and we must enlist the people's support and cooperation through extensive dialogues. In holding consultations and dialogues on major issues concerning China's political life, it is necessary to give full scope to the role of the CPPCC, the democratic parties and trade unions, women's federations, and communist youth leagues.

At present, local consultation and dialogue can be held mainly at the city level, with emphasis on questions related to urban residents' immediate interests — such as public transport, housing, education, social order, social guarantees [she hui bao zhang 4357 2585 0202 7140], commerce, services and environmental hygiene — to accelerate the settlement of these social problems.

Consultations and dialogues in the grass-roots units are an important part of the building of the democratic system at the grass-roots level and should focus on the questions with which people of the respective units are most concerned. Measures to be taken in reforms, working regulations and disciplinary requirements, production safety, and other issues important to employee interests should be settled through earnest consultations between leaders of the respective grass-roots units and their employees. Issues concerning the grass-roots units' welfare funds, housing distribution, and management of daily life facilities (such as dining halls, retail stores, public baths, and nurseries) should be discussed among the employees, and administration of them should be subject to procedures agreed upon by the employees. Democratic life, relations between the cadres and the masses, and supervision over the cadres should be the

main topics for dialogue at the grass-roots units. In short, consultations and dialogues at the grass-roots level are channels through which people can fully air their views and a school for their self-education, self-administration, and self-service by which the socialist system of democracy at the grass-roots level can be further improved and perfected. The masses should also be consulted about the steps to be taken to make sure consultations and dialogues are conducted in a lively and effective manner and carried out persistently, and about how to gradually work out a certain framework and system for the consultations and dialogues. Leaders of the various grass-roots units should master the skill to enhance employees' enthusiasm and sense of responsibility through consultations and dialogues and work together with them with concerted efforts to solve contradictions and accelerate and improve the work of their units. They must never allow contradictions to pile up and affect society.

Consultation and dialogue should serve as channels of communication not only between the leaders and the people, but between various social groups as well. This is vital to forming among the people a mechanism of checks and balances and to maintaining a political situation of stability and unity. The various mass organizations and representatives of all walks of life should be invited to take part in the consultations and dialogues at the various levels mentioned above. Consultations and dialogues between different industries and units are not yet common but should be earnestly encouraged.

In the future, there should be still greater openness in party and state affairs. This is a prerequisite for carrying out consultations and dialogues. It is proposed that the NPC, the State Council, and the various ministries perfect their spokesman system as quickly as possible so as to offer regular, substantial news briefings.

As the reform of the political structure gradually develops, there will surely be new developments in the contents and methods of social consultations and dialogues. Leaders at all levels and people in all walks of life should be made to understand that all consultations and dialogues ought to be conducive to maintaining order in the social and production fields. They should be carried out by taking the interests of the whole into consideration, encouraging equality, and enhancing mutual understanding and forgiveness for the purpose of finding an approach to solving contradictions instead of deepening and intensifying contradictions. They must be carried out after full preparations, in the spirit of speaking the truth and doing actual deeds instead of making empty promises, and by paying attention to immediately acting upon things that can be done instead of making perfunctory commitments. We should closely adhere to the party's basic line. In other words, we should persist in emphasizing the central task of economic development and the two basic points, namely, adherence to the four cardinal principles and implementation of reform and the open policy. We should steadfastly uphold the purpose of correctly handling contradictions among the

people, adhere to the orientation of building socialist democratic politics, and cherish the enthusiasm of the people to take part in social consultations and dialogues. We should find the pattern of consultations and dialogues through practice, raise their effectiveness, and sum up experience in order to gradually develop a system of consultations and dialogues.

Beijing TV Report on Speech

OW201849 [Editorial Report] Beijing Television Service in Mandarin at 1100 GMT on 20 March in its "National News Hookup" program carries a 7.5-minute video report. The report is on Zhao Ziyang, general secretary of the CPC Central Committee, delivering a report on 15 March at the 2d Plenary Session of the 13th CPC Central Committee on behalf of the CPC Central Committee Political Bureau.

The video begins with closeup shots of Zhao reading a document in front of two microphones. Then Zhao is seen sitting in the middle of a long conference table, with Li Peng and Hu Qili seated on his left, and Qiao Shi and Yao Yilin seated on his right. The table at which Zhao Ziyang, Li Peng, Hu Qili, Qiao Shi, and Yao Yilin are seated is situated at the front of the conference hall and at floor-level directly below an elevated stage at the very front of the conference hall.

As a female announcer reads the gist of Zhao's report in a voice-over, the video shows wide-angle shots of the conference hall, then cuts to closeup shots of Li Peng, Hu Qili, Qiao Shi, and Yao Yilin, followed by medium close-up shots of Wan Li, Tian Jiyun, Li Ruihuan, Yang Rudai, Hu Yaobang, Ding Guangen, and Yan Mingfu at the left side of the front row facing the stage, and then shots of Li Tieying, Li Ximing, Yang Shangkun, Song Ping, Qin Jiwei, Jiang Zemin, and Wen Jiabao at the right side of the front row facing the stage. A vacant seat is seen between Yang Rudai and Hu Yaobang. All of the leaders mentioned above are seen reading copies of Zhao's report while Zhao reads and occasionally raises his head to briefly look at the audience. Of the CPC Political Bureau members mentioned, Yao Yilin, Yang Rudai, Song Ping, and Wen Jiabao are seen wearing Mao suits; Yang Shangkun and Qin Jiwei are seen wearing military uniforms; and all the others are seen wearing Western-style business suits.

Following the closeup shots of these top-ranking party leaders, the camera pans the meeting place to show medium closeup shots of other attendees, cutting back several times to show closeup shots of Zhao delivering his report, closeup shots of Li Peng and Hu Qili taking notes, and Qiao Shi and Yao Yilin silently reading what appears to be Zhao's report.

The video ends with closeup shots of a large gold hammer and sickle hanging on the wall behind the stage, with 10 red flags framing the hammer and sickle, five on either side, and wide-angle pan shots of the meeting place.

Session Discusses Many Topics

HK190144 Hong Kong TA KUNG PAO
in Chinese 19 Mar 88 p 1

["Special Dispatch" from correspondent Kung Shuangyin: "Second Plenary Session of CPC Central Committee To Conclude Today Ahead of Schedule"]

[Text] Beijing, 18 Mar—The 2d Plenary Session of the 13th CPC Central Committee will conclude in Beijing tomorrow morning. The Central Advisory Commission and the Central Discipline Inspection Commission will convene plenary sessions in the afternoon.

During the session, the Central Committee members have been discussing Zhao Ziyang's work report as well as the list of leadership candidates to be recommended to the NPC and the CPPCC. According to our information, as a result of several days of discussion, certain readjustments will be made regarding the leadership changes.

Another source says that in discussing the question of speeding up economic development in the coastal regions, Zhao Ziyang's report proposed that foreign businessmen should be allowed to directly manage "enterprises with three sources of capital." He said that, viewed in light of several years of practice, there are many advantages in following international convention and having foreign businessmen directly manage wholly foreign-owned enterprises and manage or be the main manager in Sino-foreign joint ventures and cooperative enterprises, and such a practice should be endorsed. He also proposed that these "enterprises with three sources of capital" be run as schools for training talented managers, where advanced foreign management experiences can be truly mastered.

Committee Issues Communiqué

OW190412 Beijing XINHUA Domestic Service
in Chinese 0158 GMT 19 Mar 88

[Text] Beijing, 19 Mar (XINHUA)—Communiqué of the 2d Plenary Session of the 13th Central Committee of the Communist Party of China

(Adopted on 19 March 1988)

The 2d Plenary Session of the 13th Central Committee of the Communist Party of China was held in Beijing from 15 March to 19 March 1988.

One hundred seventy-one members and one hundred seven alternate members of the Central Committee attended the session. Members of the Central Advisory

Commission, members of the Central Discipline Inspection Commission, and responsible comrades concerned attended the session as non-voting delegates.

Comrades Zhao Ziyang, Li Peng, Qiao Shi, Hu Qili and Yao Yilin, members of the Standing Committee of the Central Political Bureau, presided over the meeting.

The plenary session examined, discussed, and adopted a work report delivered on behalf of the Central Political Bureau by Comrade Zhao Ziyang, general secretary of the CPC Central Committee, to the 2d Plenary Session of the 13th Central Committee of the Communist Party of China. The plenary session unanimously holds that the Central Political Bureau, while promoting reforms to improve the overall situation, has done fruitful work in organizing the implementation of the resolutions of the 13th National Party Congress, implementing the economic development strategy, promoting reform of the economic and political structures, and strengthening party building.

The plenary session examined, discussed, and adopted a namelist of leading personnel of state organs to be recommended to the Seventh NPC and a namelist of leading personnel of the CPPCC to be recommended to the Seventh CPPCC National Committee. Both namelists were put forward by the Central Political Bureau after comprehensive consultations both inside and outside the party. The plenary session decided to recommend the two namelists to the Presidium of the First Session of the Seventh NPC and the Presidium of the First Session of the Seventh CPPCC National Committee respectively.

During the plenary session, comrades present fully and seriously discussed the above in an atmosphere of democracy, unity, and liveliness.

The plenary session calls on all comrades of our party to continue to implement the party's basic line laid down by its 13th national congress, strengthen party building, closely unite people of all nationalities throughout the country, further emancipate the mind, further deepen and accelerate reforms, open the country wider to the outside world, steadily develop national economy, and make persistent efforts to build a prosperous, powerful, democratic, and modern socialist country with a well-developed culture.

TV Shows Plenum Session

OW191837 [Editorial Report] Beijing Television Service in Mandarin at 1100 GMT on 19 Mar carries a 4-minute video report on the Second Plenary Session of the 13th CPC Central Committee.

Without specifying the occasion, a male announcer, after reporting that "the Second Plenary Session of the 13th CPC Central Committee closed at the Great Hall of the People this morning," begins to read the full text of the

communique of the plenary session. As he reads, shots of the meeting hall, showing medium shots of rows of attendees are seen; then close-ups of Zhao Ziyang, Li Peng, Qiao Shi, Hu Qili, and Yao Yilin are seen, followed by pan shots of other front-row attendees, including Wan Li, Tian Jiyun, Li Ruihuan, Yang Rudai, Jiang Zemin, Hu Yaobang, Ding Guangen, who recently resigned from the office of minister of railways, and Li Tieying, Li Ximing, Yang Shangkun, Song Ping, Qin Jiwei, Wen Jiabao, and others. Virtually all the attendees are seen reading what seem to be copies of the communique. After brief medium shots of one of the group meetings, the camera resumes showing scenes of the meeting hall and more rows of attendees reading documents.

The video report ends with wide angle pan shots from the back of the meeting hall, showing the backs of attendees and the flag-bedecked stage.

Radio Beijing Carries Report

OW191416 Beijing Domestic Service in Mandarin
1030 GMT 19 Mar 88

[Report: "The 2d Plenary Session of the 13th CPC Central Committee Closes in Beijing"—with portions recorded]

[Text] The 2d Plenary Session of the 13th Central Committee of the Communist Party of China triumphantly closed at the Great Hall of the People in Beijing this morning. Zhao Ziyang, Li Peng, Qiao Shi, Hu Qili and Yao Yilin, members of the Political Bureau of the CPC Central Committee, presided over the closing meeting of the session.

At 0900 in the morning, Comrade Zhao Ziyang announced the opening of the meeting.

[Begin recording] [Zhao Ziyang] Comrades: Now, the meeting starts. One hundred seventy-five members and one hundred-ten alternate members of the Central Committee are expected to attend this meeting. A total of 14 people took leave of absence today. One hundred sixty-eight members and one hundred-three alternate members of the Central Committee actually attended today's meeting. One hundred seventy-eight members of the Central Advisory Commission, sixty-eight members of the Central Discipline Inspection Commission, and 35 responsible comrades concerned attended the meeting as non-voting delegates. The agenda of the meeting is to endorse the communique of the Standing Committee. Now, the staff member of the meeting will read the Communique of the Standing Committee.

[Unidentified staff member] Draft Communique of the 2d Plenary Session of the 13th Central Committee of the Communist Party of China:

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Comrades Zhao Ziyang, Li Peng, Qiao Shi, Hu Qili and Yao Yilin, members of the Standing Committee of the Political Bureau, presided over the meeting.

The plenary session examined, discussed, and adopted a work report delivered on behalf of the Political Bureau by Comrade Zhao Ziyang, general secretary of the CPC Central Committee, to the 2d Plenary Session of the 13th Central Committee of the Communist Party of China. The plenary session unanimously holds that the Political Bureau, while promoting reforms to improve the overall situation, has done fruitful work in organizing the implementation of the resolutions of the 13th National Party Congress, implementing the economic development strategy, promoting reform of the economic and political structures, and strengthening party building.

The plenary session examined, discussed, and adopted a namelist of leading personnel of state organs to be recommended to the Seventh NPC and a namelist of leading personnel of the CPPCC to be recommended to the Seventh CPPCC National Committee. Both namelists were put forward by the Political Bureau after comprehensive consultations both inside and outside the party. The plenary session decided to recommend the two namelists to the Presidium of the First Session of the Seventh NPC and the Presidium of the First Session of the Seventh CPPCC National Committee, respectively.

During the plenary session, comrades fully and seriously discussed the above in an atmosphere of democracy, unity, and liveliness.

The plenary session calls on all comrades of our party to continue to implement the party's basic line laid down by its 13th national congress, strengthen party building, closely unite people of all nationalities throughout the country, further emancipate the mind, further deepen and accelerate reforms, open the country wider to the outside world, steadily develop national economy, and make persistent efforts to build a prosperous, powerful, democratic, and modern socialist country with a well-developed culture. [end of communique]

[Zhao] Comrades: Is there a suggestion to revise this draft communique? If there is no suggestion to revise it, please endorse it by applauding. [Applause]

All rise to their feet, and sing the Internationale. [singing of the Internationale accompanied by music]

Now I declare that the 2d Plenary Session of the 13th Central Committee of the Communist Party of China has triumphantly ended. [applause] [end recording]

Central Committee Plenum Closes

OW190244 Beijing XINHUA in English 0233 GMT
19 Mar 88

[Text] Beijing, March 19 (XINHUA)—The 5-day Second Plenary Session of the Central Committee of the Communist Party of China (CPC) closed here today to the strains of the "Internationale".

Zhao Ziyang, Li Peng, Qiao Shi, Hu Qili and Yao Yilin—Standing Committee members of the Political Bureau of the CPC Central Committee—presided over today's meeting.

According to a press communique adopted by the session, the session called on all party members to continue to implement the basic guideline set forth by the 13th party congress. In particular, they should speed up the building of the party, closely unite the people of all nationalities in China, further free their thinking from rigid formalism, further deepen and accelerate the process of reform, further open the country to the outside world and develop the national economy in a consistent and steady manner. In general, it said, they should make unswerving efforts to build a modernized socialist country with prosperity, democracy and a well-developed culture.

The session adopted the work report delivered at the session by General Secretary Zhao Ziyang on behalf of the Political Bureau of the CPC Central Committee.

Those attending the session agreed that the Political Bureau has done an outstanding job of letting reform play a dominant role in overall work, organizing the implementation of resolutions adopted by the 13th party congress last fall, carrying out the strategy for economic development, pushing forward economic and political restructuring and strengthening party building.

The communique says that the session adopted the two lists of prospective candidates for heads of state organs and leaders of the national committee of the Chinese People's Political Consultative Conference (CPPCC) worked out by the Political Bureau after wide-ranging consultations both inside and outside the party.

The session decided to submit the two lists of recommended candidates to the Presidium of the First Plenary Session of the Seventh National People's Congress and the Presidium of the First Plenary Session of the Seventh CPPCC National Committee, respectively.

The communique notes that those attending the session held full and earnest discussions on the above-mentioned topics in a democratic, united and lively atmosphere.

Advisory Commission Communique

OW191159 Beijing XINHUA Domestic Service
in Chinese 0901 GMT 19 Mar 88

[Text] Beijing, 19 Mar (XINHUA) — Communique of the Second Plenary Session of the Central Advisory Commission of the Communist Party of China

(Adopted on 19 March 1988)

The Central Advisory Commission elected by the 13th CPC National Congress held its 2d plenary session in Beijing on the afternoon of 19 March. Attending the session were 173 members of the Central Advisory Commission.

Comrade Song Renqiong, vice chairman of the Central Advisory Commission, presided over the session at which Comrade Bo Yibo, vice chairman of the Central Advisory Commission, made a speech.

The plenary session endorsed the work report delivered on behalf of the Political Bureau of the CPC Central Committee by General Secretary Zhao Ziyang at the 2d Plenary Session of the 13th CPC Central Committee, and adopted the namelist of leading personnel of state organs to be recommended to the Presidium of the First Session of the Seventh NPC and the namelist of leading personnel of the CPPCC to be recommended to the Presidium of the First Session of the Seventh CPPCC National Committee. Both namelists were examined and endorsed by the 2d Plenary Session of the 13th CPC Central Committee.

Bo Yibo Addresses Advisory Group

OW211250 Beijing XINHUA in English 0814 GMT
21 Mar 88

[Text] Beijing, March 21 (XINHUA)—The Chinese Communist Party's central leadership is firm and strong, a veteran leader says.

Speaking at the second meeting of the CPC Central Advisory Commission on March 19, Bo Yibo, vice-chairman of the commission, said events taking place since last fall's 13th National Party Congress demonstrate that the work of the Political Bureau of the Party Central Committee is excellent.

Bo said the personnel arrangements made by the 13th party congress reflected the basic interests of the party and people and the continued support of the policy of reform and opening to the outside world.

They also embraced the spirit of democratic consultations and the principles of abolishing life-long tenure of leading officials and making the leadership younger.

"All this shows major progress has been made in promoting the succession of new cadres replacing old ones," he said.

Bo said the succession of new state leaders has vitalized the top leadership and guaranteed continuous implementation of the Marxist line and policies formulated at the 3d Session of the 11th Party Central Committee in late 1978.

He said that the development strategy for coastal areas is an important part of the reforms and open policies and is in the spirit of the 13th National Party Congress.

There can be no shilly-shallying in the work that needs to be done in effecting this strategy, he said.

The plan of the party Central Committee and the State Council should be followed boldly yet prudently, he said.

Bo said efforts should be made to raise the ideological, political and moral quality of party members.

By doing so, party members can serve the people wholeheartedly and honestly and enhance their ability to distinguish right from wrong and correct mistakes, he said.

The veteran party leader said that the party should also develop a socialist commodity economy and socialist democracy.

He said the reform guarantees and promotes party building.

"The acceleration of the reform and strengthening of the party building are inter-related," He added.

He said consultations and dialogue in society are needed to build up a socialist democracy.

"To bring about democratization in the whole society, it is imperative to democratize inner-party life," he said.

"In the party, the free airing of views should be encouraged and different opinions and voices heard. This is indispensable."

TV Shows Advisory Meeting

OW191747 [Editorial Report] Beijing Television in Mandarin at 1105 GMT on 19 March c
1.5-minute video report on the Second Plenary Session of the Advisory Commission of the CPC Central Committee, which took place in the Great Hall of the People on the afternoon of 19 March.

As a male announcer reads the full text of the communique of the session, which is covered by the referent item, the camera pans the meeting place, showing five long rows of attendees facing one shorter row of commission members, all apparently reading the plenary session's communique. Then the camera shows close-up shots of Song Renqiong, vice chairman of the Central

Advisory Commission, chairman of the plenary session, and Bo Yibo, another vice chairman of the commission, who is shown reading a document in front of a microphone.

The video report ends with wide-angle pan shots of the sitting attendees, including one who is sitting upright with his eyes closed.

Qiao Shi Speaks to Discipline Group

OW211305 Beijing Domestic Service in Mandarin
1030 GMT 20 Mar 88

[Text] Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee and secretary of the Central Commission for Discipline Inspection of the CPC Central Committee, pointed out in Beijing today that now that our party's central task, our way of doing things, and our social environment are undergoing major changes, it is particularly necessary to strengthen our sense of party discipline.

Comrade Qiao Shi once again put forward to the whole party the question of strengthening the sense of party discipline at the Second Plenary Meeting of the Central Commission for Discipline Inspection Commission of the CPC Central Committee which opened today.

Comrade Qiao Shi said: At present, strengthening the sense of party discipline means to ask the party organizations at various levels and all party members to politically stay close to the line formulated since the 3d Plenary Session of the 11th CPC Central Committee, to firmly carry out the guidelines of the 13th CPC National Congress, to resolutely implement the basic line of the party in the initial stage of socialism, and to firmly keep to the central task of economic development and the two basic points [adherence to the four cardinal principles and implementation of reform and the open policy]. This is the fundamental political discipline which must be observed by the broad masses of party members. Without guaranteed strict discipline, even the best political line cannot be implemented correctly.

Qiao Shi said: Since the 3d Plenary Session of the 11th CPC Central Committee, our party has taken a series of important measures, including party rectification, to improve party discipline. The situation of lax discipline caused by the 10 years of great upheaval has fundamentally changed. However, there are still many party organizations and party members, including some leading organs, which lack a sense of party discipline and are generally slack in observing party discipline. Some of these cases are relatively serious. Therefore, strengthening the party's sense of discipline is an extremely important and immediate problem facing party organizations at various levels. For the broad masses of party members, quite a large number of new party members who joined the party relatively late in particular, it is very necessary to conscientiously study the basic knowledge about the party and to enhance their sense of discipline.

Even those veteran comrades who joined the party many years ago must, under the new historical conditions, also continue to maintain and carry forward the good tradition of taking the lead in observing party discipline.

Referring to discipline inspection work of the party in the new period, Qiao Shi pointed out: Reform and the open policy are our general principle and policy. Discipline inspection work must support and protect reform.

Qiao Shi summarized the regular work of discipline inspection organizations as containing four aspects: It is necessary to protect the democratic rights of party members and ensure that their rights are not infringed upon; it is necessary to punish party members who violate party discipline and to clear the party from corrupt elements; it is necessary to exercise supervision over the party organizations at various levels, particularly leading organs and leading cadres, and to watch their behavior in implementing the party's line, principles, policies, and decisions and their implementation of the system of democratic centralism; and it is necessary to educate party members to observe discipline and law, fulfil their obligations, and enhance their ability to resist corruption.

In analyzing the improvement of party style, Comrade Qiao Shi pointed out: At present, there are indeed a small number of party members, including some leading cadres of the party, who cannot stand the test of reform and the open policy. He emphasized: In order to improve party style, on the one hand we must speed up and deepen reform, establish and improve the various systems, and gradually reduce those factors which may lead to unhealthy practices; on the other hand, we must also take strict measures and in a serious manner handle those who violate party discipline. We must understand that in the initial stage of socialism we must never lower the qualifications required of party members and slacken our demands on party members.

In conclusion, Comrade Qiao Shi urged comrades throughout the party in charge of discipline inspection work to build a strong contingent of discipline inspection workers in the spirit of reform, to consider the development of productive forces as the point of departure for all work and the basic criterion in examining all work, and to further liberate their thinking, enhance their vigor, and strengthen their confidence to do a good job in discipline inspection work.

CPC Should Improve Self-Discipline, Party Style
HK210745 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 0945 GMT 20 Mar 88

[Article by Yi Lan (0122 5663): "The CPC Should Strengthen Self-Discipline so as To Straighten Out Party Style—Discussing Zhao Ziyang's Remarks on 'Party Building'"]

[Text] Hong Kong, 20 Mar (ZHONGGUO TONGXUN SHE)—Following Zhao Zhiyang's suggestion in Shenzhen that "the government must be honest and social

practices must be healthy" at the Second Plenary Session of the CPC Central Committee on 15 March, he again took up the problem of "party-building." He said: "At the appropriate time, a plenary session of the CPC Central Committee will be called to specially discuss this problem." This remark is worth noting; it concerns current social practices, official ways, and Chinese Communist Party style on the mainland. In it we can see Zhao Ziyang's concern about the problem of party style.

The Chinese Communist Party has a total of more than 40 million members. Their quality is a matter of the good and the bad intermingling. Those who commit offenses against law and discipline and pervert justice by taking bribes may be in the extreme minority. But there are many who abuse authority, throw public money around, deceive those above, bully those below, line their own pockets at the expense of the public and put private interests first without setting examples for the public. Even if party members of this kind accounted for only 1 percent of the total, this would still come to 100,000. In recent years, the people on the mainland have had much to say about the Chinese Communist Party's style. This should actually arouse a high degree of vigilance and a sense of self-discipline.

The Chinese Communist Party is the ruling party on the mainland. If the party style is not healthy, the government can hardly be honest, and 1 billion people will be victims.

The Chinese Communists were involved in "party rectification" for 3 and 1/2 years, starting in October 1983, and announced their "fundamental conclusion" last May. But at present, the Chinese Communist Party style does not seem to be much better than it was some 3 years ago. The basic reason is that for some areas and some organs, "party rectification" was only a formality. Party members obsessed with power and hungry for money and women have surfaced continuously.

"Discipline inspection committees," from the central to the local level, have issued warnings again and again and made examples of a number of party members who ran afoul of party discipline. But there has not been a fundamental change in the unhealthy party style.

So-called "party-building" is nothing but a matter of swelling the ranks of party members and improving the quality of party members. The Chinese Communist Party has become a big party with a membership of more than 40 million. Therefore, by stressing "party building," Zhao Ziyang should mean improving the quality of party members and again fostering the ideals and values of Communist Party members. After all, the survivors of the more than 2 million Communists who joined the party during the war years account for only an extremely small proportion of the total number of party members. For the past 30 years or more, "party membership as a passport to officialdom" and "officialdom inseparably linked with party membership as a prerequisite" have

resulted in a number of motivated people worming their way into the party Central Committee. Zhao Ziyang was determined this time around to call a plenary session of the CPC Central Committee "at the appropriate time" in order to discuss this problem. What comes next will be worth watching.

NPC To Discuss Revision of Constitution
HK190941 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 11, 14 Mar 88 p 6

[Article by Ye Qiu (0673 4428): "The Seventh NPC Will Discuss the Revision of the Constitution"]

[Text] To consolidate the achievements of reform and ensure the deepening of reform, the 25th meeting of the 6th NPC Standing Committee, which was held in Beijing on 5 March, discussed the CPC Central Committee proposal and examined and approved the draft of the amendments to the Constitution of the PRC, which will be submitted to the First Session of the Seventh NPC, beginning 25 March, for examination and approval.

The Constitution is the fundamental law of the state, is the most authoritative, and has the greatest legal effect. The revision of the Constitution is an important event in China's political life.

The current Constitution was adopted and promulgated by the Fifth Session of the Fifth NPC on 4 December 1982. The practice over the past more than 5 years proves that this Constitution scientifically sums up the historical experiences of the development of socialism in China and reflects the common aspiration and fundamental interests of the Chinese people of all nationalities. It tallies with the national situation of China, has distinctive Chinese characteristics, and conforms to the needs of construction of socialist modernization in the new historical period. Over the past 5 years, reform and opening up have brought vigor and vitality to China. Both the productive forces and national spirit have been emancipated on a new basis. The remarkable achievements made by China in economic construction have attracted worldwide attention. A very important reason for all this is that we have a good Constitution.

But why should we further revise the Constitution? Because many new things have appeared on various fronts over the past few years in the practice of reform and opening up, such as the vigorous development of the private economy and the transfer of land use rights with compensation. The emergence of these new things, which are playing a good role in the construction of socialist modernization, was previously never imagined. Therefore, some articles and provisions of the current Constitution, which was adopted 5 years ago, do not suit the needs of the new situation and new things, and they need to be revised so that the smooth progress of reform can be ensured and the construction of socialist modernization can be further promoted.

In the past, there were also some precedents of revising the "Constitution." In 1980, the Third Session of the Fifth NPC passed a resolution on deleting Article 45 of the "Constitution," which stipulated that the citizens "have the right to 'speak out freely, air views fully, hold great debates, and write big-character posters.'" The revision of this article played a positive role in promoting socialist democracy, perfecting the socialist legal system, maintaining the political situation of stability and unity, and ensuring the smooth progress of socialist modernization. Facts show that it is entirely necessary to make timely revisions of certain articles and provisions of the Constitution in light of the situation of social development in China.

The report of the 13th CPC National Congress pointed out: "We must grasp construction and reform with one hand and grasp the legal system with the other. The construction of the legal system must permeate the whole course of reform." In light of the actual situation of the further development of reform and opening up in the past few years, the CPC Central Committee made a proposal to the NPC Standing Committee on revising certain articles and provisions of the Constitution.

Over the past few years, China's private economic sector has been resumed and developed rather quickly. According to figures provided by the State Administration for Industry and Commerce, at the end of 1987, there were already 225,000 private enterprises in our country. The private sector of the economy is playing a positive role in promoting production, enlivening the market, expanding employment, and satisfying the people's needs in various fields. It is a necessary and useful complement to the socialist public-owned economy. However, Article 11 of the current Constitution stipulates that "the individual economy of urban and rural working people, operated within the limits prescribed by law, is a complement to the socialist public economy. The state protects the lawful rights and interests of the individual economy. The state guides, helps, and supervises the individual economy by exercising administrative control." However, there are no stipulations on the lawful position and role of the private sector of the economy. It is also very necessary to protect the lawful rights and interests of the individual economy by law and strengthen guidance, supervision, and administration over it. For this reason, the CPC Central Committee proposed that the following stipulation be added to Article 11 of the current Constitution: The state allows the existence and development of the private sector of the economy within the limits prescribed by law. The private sector of the economy is a complement to the socialist public economy. The state protects its lawful rights and interests and offers guidance for and exercises supervision and administration over it. By adding this content, the existence, development, and administration of the private sector of the economy will be guaranteed by the fundamental law, and the State Council will be able to further work out "Provisional Regulations on the

Administration of the Private Sector of the Economy" to enable the private sector of the economy to develop better.

Item No 4 of Article 10 of the current Constitution stipulates: "No organization or individual may appropriate, buy, sell, or lease land, or unlawfully transfer land in other ways." It does not suit the needs of reform and opening up. In the past, although the land belonged to the whole people or the collective in China, a system of indefinite and uncompensated use of land was practiced for a long time. The land actually belonged to its users. This system resulted in serious waste. The land use structure was irrational and the returns were very low. To change this, beginning from the second half of last year, the state decided to experiment on the use of land with compensation in Shanghai, Tianjin, Shenzhen, Guangzhou, Hainan Island, Fuzhou, and Xiamen, that is, the transfer of the right to use state-owned land on a compensation basis. According to this, the land will be used and developed by the transferee, who will pay for the use of the land. Under the condition that the socialist planned commodity economy is constantly developing, this method will play a great role in increasing the returns from the use of land. It is beneficial to both the state and the people. Moreover, since what is transferred is only the right to use state-owned land, the ownership of land is still in the hands of the state or the collective. When the period of transfer expires, the state or the collective has the right to take back the right of use according to law. At present, good results have been achieved by the above-mentioned areas in exploring this method of using the land with compensation. To strengthen land administration according to law and further ensure the smooth progress of reform and opening up, the CPC Central Committee made a proposal to the 25th meeting of the 6th NPC Standing Committee on revision of Item 4 of Article 10 of the Constitution. According to this proposal, it will stipulate that no organization or individual may appropriate, buy, or sell land, or unlawfully transfer land in other ways. The right to use land can be transferred according to law. It is entirely necessary to make this revision.

The First Session of the Seventh NPC will be held very soon. People are paying earnest attention to the revision of the Constitution and expecting that the Constitution will be better revised at the coming session so that it can provide a more effective legal guarantee for China's reform and opening up and the socialist modernization drive.

Editorial on Significance of Seventh NPC
HK200634 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 20 Mar 88 p 10

[Editorial: "NPC Gives China New Incentive for Reform"]

[Text] The seventh National People's Congress which begins on Friday will be one of the most crucial meetings

within the People's Republic of China since it was founded in 1949. It will provide one of the most stark contrasts between the old and the new within China's political power base.

Many of the delegates to the NPC are veterans who took part in the long March, in the subsequent liberation and, in varying degrees, in the development of the New China. But, unmistakably, it will be a congress with a vast difference from its predecessors, perhaps so different that the old veterans who are used to the old ways might balk at the progress that this meeting is expected to make.

Like so many past congresses which took place after changes of leadership, the new membership is expected to be dominated by younger people with totally different outlooks and concepts. There will be the young ones injected with the concept of democracy, which in communist terms means that they will have, for the first time for many decades, the power to speak up freely and decide on matters in accordance with their beliefs and conscience.

The new congress will also appoint a new government, certain to be led by the present Acting-Prime Minister, Mr Li Peng, reputedly the adopted son of the first Prime Minister of the People's Republic, Mr Chou Enlai. And there will also be a new team, nominated by Mr Li, and expected to be accepted by the 3,000 congress members.

But it is not just the composition of the new government that is to dominate the attention of those taking part in the NPC. They will also have a very heavy responsibility in deciding on a set of policies which, though not really vastly different from the abrupt changes that characterised the Cultural Revolution, will nevertheless represent a departure from the bold reformist lines that have been pursued over the past 10 years since the return of Mr Deng Xiaoping.

The starving and chaotic years of the Cultural Revolution have left a scar which will probably never be blotted out by time. But this scar has been healed to some degree by the more progressive ideologies that followed the removal of the ultra-leftist party cadres, of whom only a token force is left today. Instead, a group of far more energetic, reform-minded leaders have taken their place, encouraged by Mr Deng and then two of his followers: Mr Hu Yaobang and Mr Zhao Ziyang.

They advocated the opening of China to the outside world, absorbing foreign technology, encouraging foreign investment and, to a limited degree, tolerating the so-called "decadent" Western culture.

The new NPC not only will give birth to a new administration, which promises to be young and the most talented to date, but will also provide a set of new measures that will provide the teeth for the administration to proceed with the reformist line.

Much has been said about the character of the emerging new administration, which some would claim is more prudent and even conservative in its approach towards reformist policies than past leadership. While the grounds provided for this line of argument appear to be strong, it must be remembered that the administration is also manned largely by members of the Communist Party, and even though there is now to be a separation of party functions from government, there must not be any change in the ultimate goal—modernising the country.

The coming NPC will produce an administration for which there are high hopes. The basic thrust of the Dengist reforms of the last decade can be expected to continue. For China there is no looking back. The new leadership that will be born of the seventh NPC will have a very heavy responsibility, both economically and politically. The road ahead is still torturous and, for a socialist country faced with an ever-changing world environment, it may find difficulties it never expected to encounter.

But, armed with a more modern political outlook and an ever-increasing appreciation of technology, China is in a position to move ahead with confidence.

Non-Communist Vice-Minister Profiled

OW190900 Beijing XINHUA in English 0838 GMT
19 Mar 88

[Text] Beijing, March 19 (XINHUA)—A newly appointed non-communist government official said that the appointment of members of the democratic parties as government officials is a sign of mutual respect and trust between the Communist Party and other democratic parties.

Feng Tiyun, vice-minister of supervision and vice-chairman of the China Democratic National Construction Association, said that the appointment also asks for the training of qualified candidates from among democratic party members for government posts.

Feng said this in an interview with the PEOPLE'S DAILY which published it today.

Feng was [words indistinct] vice-minister last month.

After graduation from a law college, the 21-year-old Feng [words indistinct] director of a match factory in Ningbo, Zhejiang Province, in 1946. After the founding of the People's Republic of China in 1949, he became active in the country's political life as a member of the local and central political consultative organs.

When asked whether he felt it would be difficult to work in his new position as most of the colleagues are Communist Party members, Feng said, "as I have been working here only for a short time it is hard to draw a

conclusion. But I have a feeling that other high-ranking officials in the ministry trust and respect me sincerely, and when they are out on business they leave me to handle everything."

However, he said when he meets obstacles or difficulties, he will ask the minister and other vice-ministers for help. "If this effort is fruitless, I will report the matter to my party, or to the Communist Party's Central Committee and the State Council as a non-Communist government official."

The vice-minister said that the ministry is considering working out regulations to mete out penalties to those who waste state funds and materials.

"We are trying to keep the government officials upright and honest through administrative and legal means," he was quoted as saying.

Zhao's Comments Against Corruption Noted
HK190834 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 0706 GMT, 18 Mar 88

[Article By Yi Lan (0122 5663): "Strengthening the Legal System and Fighting Against Corruption and Extravagance—On Zhao Ziyang's Talk on the Question of Fighting Against Corruption"]

[Text] Hong Kong, 18 Mar (ZHONGGUO TONGXUN SHE)—It has been learned that during his inspection tour of the south, Zhao Ziyang criticized a town chief because the town chief, who is only a junior official in China, rode in his "Mercedes Benz," a luxury car made in West Germany, to go around town. When Zhao Ziyang saw that, he criticized the town chief, saying: "If you want to be the town chief, you must not ride in that luxury car. And if you want to ride in that luxury car, you must not be the town chief!"

Many officials on the mainland, like that town chief, are extravagant. As a matter of fact, extravagance and corruption have long existed in many government institutions on the mainland. Corruption and extravagance have for a long time been the target of criticism both inside and outside China. The high level of the CPC has also repeatedly condemned such a phenomenon and has adopted some measures to fight such a phenomenon. Although the authorities have tried to put an end to these "malpractices," corruption and extravagance still prevail in government institutions. Some time ago, Li Hao, mayor of Shenzhen City, disclosed that Zhao Ziyang had expressed his concerns about the problem of corruption in government institutions and had demanded that this problem be solved. When talking about the question of "spiritual civilization" during his inspection of Shenzhen City, Zhao Ziyang said: "The government must fight corruption and improve the general mood of society."

When Zhao Ziyang said that "the government must fight against corruption," he actually admitted that corruption among government officials is an undeniable fact. At present, the most serious problems in government institutions are corruption, extravagance, the taking of bribes, and abuse of power. However, although these problems have worsened in government institutions, the authorities always refrain from talking about them. It seems that the authorities fear that publicly exposing the problem of corruption in government institutions will damage the government's image.

At present, the problem of corruption and extravagance still exists in many government institutions on the mainland. There are both subjective and objective factors behind this problem. The objective factor is that the legal system on the mainland is still far from perfect and the laws are still not strictly implemented. There are still no permanent and independent supervisory institutions on the mainland. This situation has provided good opportunities for corruption. Usually, the corrupt officials who embezzle public funds and violate the law only receive "disciplinary sanctions" and are immune from criminal sanctions. This situation has also served to encourage corruption among the government officials.

However, a certain degree of temperature will allow eggs, but not stones, to become chickens. Therefore, we cannot ignore the subjective factors. Those officials who degenerate and lack the spirit of working selflessly in the public interest and the spirit of serving the people heart and soul are either officials who have impure motives or officials who had no ideals at all when they took office. Thus, under the situation that the commodity economy is developing greatly, the concept of "money being everything" prevails in society, and the general mood of society is characterized by a pleasure-seeking ideology, some government officials will certainly be unable to resist the temptation and will degenerate. They will first embezzle public funds and then become corrupt and degenerate. Some officials will even form a clique of corrupt officials to collectively seek private gain by abusing their powers. That the officials of the Wenjingdu Customhouse of Shenzhen City collectively took bribes and gave safe passages to smugglers is a typical illustration of this problem.

That government officials have become corrupt and civil servants have taken the lead in seeking private gain and taking bribes has seriously poisoned the general mood of the society. A corrupt government can cause serious consequences because it can destroy all the achievements we have made in the reform.

The fact that Zhao Ziyang pointed out that "the government must fight against corruption" shows that the high level of the CPC has begun to pay attention to the problem of corruption in government institutions. However, although it is certainly not an easy task to "fight against corruption" in government institutions, the problem has to be dealt with promptly. Otherwise, the

problem will never be solved. To carry out education among the government officials at various levels is very important. However, what is more important is that we must strengthen work on legislation and the legal system and establish the relevant supervisory institutions (just like Hong Kong's Independent Commission Against Corruption). It is necessary to punish corrupt officials according to the law, instead of simply passing disciplinary sanctions against them. To dispense only disciplinary sanctions against corrupt officials is in nature to let them "get by under false pretenses." In one words, we must make officials understand that they cannot hold office if they degenerate and become corrupt. Moreover, when selecting cadres we should pay attention to both their competence and their morality.

"To eliminate corruption in government institutions" is the common aspiration of the broad masses of people. And only when the Chinese authorities are determined to eliminate the problem of corruption in government institutions will this task be accomplished.

Li Xiannian Reaffirms Tibet Part of Nation

HK190900 Beijing ZHONGGUO XINWEN SHE
in Chinese 0759 GMT 19 Mar 88

[Report by Li Wei (2621 0251): "Li Xiannian Says the Chinese People Will Never Permit the Separation of Tibet From China"]

[Text] Beijing, 19 Mar (ZHONGGUO XINWEN SHE)—Today at a meeting here with a Nepalese National Assembly delegation, State President Li Xiannian stressed: We respect the Dalai Lama. However, he does not respect his own country. He is practically trying to divide [fen lie 0433 5933] the People's Republic of China. The Tibetan people are a hardworking, tough, and brave people who have existed since ancient times. There are only a few people who want to make Tibet independent and try to tear it away [fen lie chu qu 0433 5933 0427 0637] from the People's Republic of China. The Chinese people, including the majority of Tibetans, absolutely will not permit this.

Li Xiannian continued: In handling religious and ethnic matters, one can never adopt a policy of brutality [cu bao zheng ce 4723 2552 2398 4595]. During the "Cultural Revolution," we went "left" and adopted erroneous policies regarding religious and ethnic matters. Now we are changing. However, the principles of the central authorities must be implemented. Various nationalities should be united and help each other.

During the cordial meeting lasting an hour, President Li Xiannian praised King Birendra for his contributions to the development of Sino-Nepalese friendship and relations and expressed his support of Nepal's peaceful foreign policy. He said: The friendship and mutual trust between China and Nepal are the greatest. King Birendra has visited China seven times, and he knows well and respects the Chinese people.

Li Xiannian said: At present, there are about 10,000 Tibetan compatriots living in Nepal. Educated by the Nepalese Government, they have never done anything harmful to the country. China is grateful to the Nepalese Government for this.

Commenting on international issues, Li Xiannian pointed out: Peace and development are two important problems in the contemporary world. The people in the world desire peace and are opposed to wars. The forces of peace are now stronger than the forces of war.

Li Xiannian said that he sincerely hopes that South Asia will remain peaceful and stable and that the South Asian countries will treat each other as equals, strengthen cooperation, and make joint efforts to seek development.

Subedi, head of the delegation and chairman of the Nepalese National Assembly, said: Both Nepal and China are peace-loving countries. China was the first country to endorse Nepal's proposal to create a zone of peace. In the eyes of the Nepalese people, China is a great friend. The Nepalese Government will not allow the Tibetans in Nepal to do anything harmful to the People's Republic of China.

Bainqen Erdini Qoigyi Gyaincain, vice chairman of the NPC Standing Committee, also attended the meeting.

Propaganda Chief Urges Press, Publication Reform

OW192132 Beijing XINHUA Domestic Service
in Chinese 0702 GMT 19 Mar 88

[By reporter Li Guangru]

[Text] Beijing, 19 Mar (XINHUA) — The National Conference of Directors of Press and Publications Bureaus closed in Beijing today after earnest discussions and useful exchanges of ideas on reform.

Thanks to reforms and opening to the outside world, the nation's publishing business has entered a new stage of development. Currently the nation has over 460 publishing houses publishing virtually all types of specialized books. The nearly 6 billion copies of over 60,000 titles they published last year have been playing a positive role in the nation's material and spiritual construction.

Addressing the meeting, Wang Renzhi, head of the Propaganda Department of the CPC Central Committee, said efforts should be made to explore ways that publications' social and economic benefits can be integrated, and to change the current situation in which large quantities of mediocre books have been published quickly.

He said: Times produce monumental works, and monumental works push times forward. Supplying people of this era with books of good quality has become an unshirkable responsibility of publishers, as well as the

main criterion for assessing the performance of publishing houses. Today there are still not many good publications. The fundamental objective of accelerating and deepening publishing reform is to publish more good books. He urged publishing houses in all localities to explore courageously and sum up their experiences while doing their work.

Wang Renzhi said publishers today should guard against two things: first, conservatism and mental ossification, which cause mental tension and prevent the publishing of good books; second, the lack of a clear understanding of decadent and backward ideologies, and the publishing of books harmful to people's physical and mental health as well as to social stability and unity.

Some localities have learned how to successfully integrate publications' social and economic benefits — which was a hot topic at the conference. According to Wang Renzhi, publishing houses in all localities should take positive steps to improve management and diversify operation. He reminded the attendees of the ancient Chinese axiom: "A gentleman acquires his wealth the proper way."

Commenting on press reform, Wang Renzhi said: Since the convocation of the 13th party congress, the press has become more open, with progress made in promoting consultative dialogues and in playing its supervisory role. The party Central Committee's principle for press reform has been clearly defined: press reform must proceed cautiously.

Over the past 5 days, the attendees earnestly discussed views on restructuring publishing houses and book distribution, and exchanged views on selecting subjects, readjusting and improving the system of book publication, and improving book quality. Du Daozheng, director of the State Media and Publications Office, made a report entitled "Tentative Plan for Future Projects and Relevant Ideas and Policies." Li Yan, deputy head of the Propaganda Department of the CPC Central Committee, addressed the meeting.

During the conference, Comrades Hu Qili and Rui Xingwen met with the attendees.

Urges Fighting Conservatism

OW191738 Beijing XINHUA in English 1248 GMT
19 Mar 88

["Official Urges Reform in Press, Publications"—XINHUA headline]

[Text] Beijing, March 19 (XINHUA)—A leading propaganda official has called on Chinese publishers to oppose both conservative and decadent ideas in the country's publication work.

On the one hand, he said, conservative and rigid ideas still exist; on the other, people have not yet fully realized the danger of decadent and backward ideologies.

"The former have prevented the publication of good books, while the latter have given the green light to books harmful to readers' minds and to social stability," he explained.

Wang Renzhi, head of the Propaganda Department of the Chinese Communist Party Central Committee, was speaking at a meeting attended by directors of press and publications bureaus from across the country, which closed here today.

On press reform, he said that since the 13th Communist Party Congress last October, the Chinese press has become more open, with progress made in its role of supervising party and government work, and promoting consultations and dialogues among the people.

"The Communist Party Central Committee's policy on press reform is clear, that is, to carry it out resolutely but in a cautious matter," the propaganda head said.

China now has about 460 publishing houses. Last year, they published nearly six billion volumes of books in over 600,000 varieties, XINHUA learned from the meeting.

Paper Encourages Reporting of Disasters

OW190529 Beijing XINHUA in English 0249 GMT
19 Mar 88

["Let the Cat Out"—XINHUA headline]

[Text] Beijing, March 19 (XINHUA)—Today's "CHINA YOUTH NEWS", a Beijing-based newspaper, criticized certain local leaders for not letting newsmen cover disasters and accidents that happened in their places.

In one county, reporters was stopped from covering a landslide that destroyed several houses.

"Coverage of natural disasters helps people get to know more about nature and can help them take steps to prevent such disasters in future," the paper said.

In another case, criminal elements in a nearby county caused an explosion, giving rise to gossip and rumors which disturbed the local people. But again, the county leaders tried to hide the truth from the people, the paper said.

It criticized the county leaders who believed that it was better not to inform the people of bad things. "Who would attribute a natural disaster to the bad leadership of the county chief?," the paper asked.

The Communist Party of China's top leader, Zhao Ziyang, said in his work report at the party's National Congress last year that people should be informed of important matters. "The practice in those counties makes people wonder whether the county leaders know about the report or not," the paper said.

Country's Diplomatic Position Reviewed
HK190745 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 11, 14 Mar 88 p. 1

["Letter from Beijing" by Bao Xin (7637 0207): "New Situation That Has Been Created in Diplomatic Work"]

[Text] Dear Brother:

I received your letter. You asked me about the foreign policies of the mainland, so here is your answer.

You said that the 13th CPC National Congress in September last year made no special mention of diplomatic work, and some people overseas thought this indicated China's neglect of its foreign policies. This is undoubtedly a misunderstanding. Each meeting was directed at particular specific issues, and could not handle everything at the same time; otherwise, the main issue could have been confused with the less important ones. As you know, diplomatic work always holds an important position in China's grand construction cause. In the era of reform and opening up, diplomatic work obviously plays a great role. At the coming Seventh NPC session, diplomatic work will be a major topic, and will get considerable space in the government work report.

The Chinese Government pursues an independent and peaceful foreign policy. A peaceful international environment is favorable to China's modernization construction and favorable to China's reform and opening up. China's prosperity and development will in turn contribute to world peace and promote the development of world economy. Therefore, peace and development are always the two major objectives of China's foreign policy.

In the past 5 years, that is, in the tenure of the last NPC, China has made major achievements and has created a new situation on the diplomatic front. In this period, Chinese leaders visited 46 countries, received heads of state and government leaders from 90 countries, and China established diplomatic relations with 10 countries. So far, China has established diplomatic relations with a total of 135 countries and has established economic and trade relations with nearly 180 countries and regions. Such developments in foreign relations created a better international environment for our domestic reforms and opening up and for our modernization cause, and also contributed to world peace and development.

Sino-U.S. relations and Sino-Soviet relations have always attracted people's attention. In the past 5 years, Sino-U.S. relations have been rather stable, and the two sides further developed their economic and trade relations and technological exchanges. However, some people in the United States are always trying to interfere in China's internal affairs under various pretexts. They raised a big fanfare on the Tibet issue, and in particular violated the U.S. government's openly promised policy of recognizing only one China. This is an obstacle to the development of Sino-U.S. relations that must be removed in the future. China and the Soviet Union have also increased bilateral trade, economic and technological exchanges, and personnel exchanges. However, the three major obstacles to the normalization of Sino-Soviet relations—especially the Cambodian issue which threatens China's security—remain unsolved. Only when the Soviet Union urges Vietnam to withdraw from Cambodia as soon as possible can Chinese and Soviet leaders begin to hold talks, and only thus can the relations normalization process be substantially advanced.

In short, China will continue to adhere to the principle of independence in its relations with the United States and the Soviet Union, and will not attach itself to any power and will not enter into alliance or form any strategic relations with them. China will continue to support all efforts to ease the international situation, and oppose various hegemonist actions that may harm world peace. China hopes to further improve and develop relations with the United States and the Soviet Union in the future, and will continue to make unremitting efforts for this.

"Harmonious relations with neighboring countries are of essential importance for a country." China always attaches importance to the maintenance and development of good-neighborly relations with its neighboring countries, and always shows particular concern for peace and stability in Asia. China is now maintaining friendly relations with most of its neighboring countries. Sino-Japanese friendship has deeply taken root in the minds of the people. However, some troubles which were not caused by the Chinese side appeared in Sino-Japanese relations. China sincerely hopes to continue to develop friendly and cooperative relations by removing the obstacles and adhering to the principles of "peace and friendship, equality and mutual benefit, mutual trust, and prolonged stability" with Japan.

Strengthening unity and cooperation with Third World countries is a foundation stone of China's foreign policy. As a member of the Third World, China will continue to support these countries' efforts to develop their economies and to change the unreasonable international economic order. China will actively develop relations in all fields with these countries on the principles of "equality and mutual benefit, stressing actual results, taking various forms, and seeking common development;" and will promote the development of South-South cooperation.

In recent years, China has rapidly developed relations with the socialist countries in Europe, and friendly cooperation with West European countries is also developing satisfactorily. There are broad prospects in the future development of cooperation in various fields with these countries.

As everyone knows, the Hong Kong and Macao issues left over from history have been perfectly solved through friendly talks respectively with the British and Portuguese Governments on the principle of "one country, two systems." The state of affairs in all aspects in Hong Kong and Macao is now satisfactory. Hong Kong and Macao have entered a new historical period. It is hoped that Hong Kong and Macao compatriots will join hands with the people throughout the country, and will continue to make contributions to prosperity and stability and to the smooth transition of political power in Hong Kong and Macao.

The current international situation in general is developing in a direction that is favorable to the people of the world, and includes many positive tendencies, but some worrying factors also exist. China will, as usual, continue to make firm efforts to check the arms race, to safeguard world peace, and to seek common development.

Paper Urges Ban on 'Compulsory Donations'
OW190537 Beijing XINHUA in English 0228 GMT
19 Mar 88

[Text] Beijing, March 19 (XINHUA)—Compulsory donations of gifts or money—an increasingly common practice nowadays—should be outlawed, the "GUANGMING DAILY" said in a frontpage commentary today.

The practice arises from abuse of power by employees in various occupations, the paper said.

In some cases patients have to bribe medical workers with gifts before they can be hospitalized or get a prescription. Movie theaters sometimes have to donate tickets to power supply bureaus if they don't want to find their electricity cut off during the show, the paper said.

Other examples quoted include drivers who have to pay off traffic police to avoid having their licences confiscated, people moving into new apartment buildings who have to send gifts to waterworks and gas supply companies, and writers who have to pay publishers to get their works published.

"We have the custom of presenting gifts to express our friendship and gratitude, but this should not be turned into bribery to get essential services," the paper said.

It added that the practice has turned normal work and business relations into a mere exchange of goods or materials, which have become the key to deciding whether a deal can be made or not.

"The people hate and abhor this practice," the paper pointed out, "but they also feel that they, as individuals, are too weak to fight against this social evil, which has marred and will further damage the image of the Government," the commentary said.

The commentary called on all officials and employees to be honest and upright in their professions, to perfect necessary regulations and build a healthy social morality and eliminate this scourge.

Experts Broadening Marx-Lenin Research
HK190334 Beijing CHINA DAILY in English
19 Mar 88 p 3

[By a Staff Reporter]

[Text] China is enlarging its research into Marxism-Leninism, including the study for the Soviet theorist Bukharin (1888-1938), who used to be considered a traitor to the communist movement.

Cai Huawen, an official of the Bureau of the Compilation and Translation of Works by Marx and Lenin, said that they had almost completed revising the works of Lenin whose collected works will be published in 1990.

"The task of revising Marx and Lenin's works is enormous and requires 10 or 20 years to complete," he said.

"The bureau used to focus on studying and translating the history of the communist movement," Cai said. "Now the work has a different emphasis."

Works by Bukharin and leaders of East European socialist countries have been partially introduced to China, and will help to build our own socialism with Chinese characteristics, Cai said.

Since the downfall of the Gang of Four, works by Chinese leaders Liu Shaoqi, Zhou Enlai, Zhu De, Deng Xiaoping and Chen Yun have been translated into six foreign languages and introduced to foreign countries. "The translation of our leaders' works and the Party's important documents is one of the bureau's major tasks," Cai said.

The Seventh National People's Congress will open on March 25. "Since the beginning of March, we have worked on the translation of the report to the Congress," he said.

Set up in 1953, the bureau now has 367 staff.

Ministry of Manpower Reportedly Planned
HK190918 Hong Kong TA KUNG PAO in Chinese
18 Mar 88 p 2

[Report: "Yan Jiaqi Says the State Council Will Establish a Ministry of Manpower"]

[Text] Yan Jiaqi, director of the Political Science Institute under the Chinese Academy of Social Sciences, said in Hong Kong yesterday (17th) that as far as he knew, the upcoming Seventh NPC would approve the establishment of a ministry of manpower to manage public servants and that for this purpose, the departments concerned had started drafting regulations concerning public servants.

Yan Jiaqi indicated that recently an institute for restructuring the political system of the CPC Central Committee was set on the mainland. For some time prior to the institute's founding, he worked for its temporary organ, which has been disbanded. He is now concentrating his efforts and energy on the work of the Academy of Social Sciences.

Paper Views Population Strategy to 2040
HK181500 Beijing JINGJI RIBAO in Chinese
27 Feb 88 p 2

[Article by Wu Cangping (6762 3318 5493) and Du Yajun (2629 0068 6511): "Exploring Population Development Strategy"]

[Text] Population control is an important issue concerning overall economic and social development. China is now in the initial stage of socialism, a stage of gradually getting rid of poverty and backwardness and a stage where, as an agricultural country with a large rural population and manual labor as its foundation, it is gradually turning into a modern industrialized country with a large percentage of nonagricultural population. Controlling population means solving the problem of rapid population increase and curbing unlimited population increase in the future. But transferring rural laborers to urban industry is a countermeasure to deal with the existing large population. The two are linked but are different. They cannot be replaced. Therefore, they are in different fields strategically. In formulating economic development strategies, we must also give consideration to the future aging trend of our population.

Transferring Rural Population Is an Important Step for Achieving Modernization [subhead]

China's socialist modernization faces international competition and a challenge of high-technology industry and economy. The basic characteristics of this industry and economy are: Modern equipment, advanced technology, good quality labor, and a large amount of funds for equipping every laborer. We have a poor economic foundation and a large population, but tend to have an unlimited supply of laborers. Therefore, in developing

high-technology industry, with a serious shortage of funds we cannot meet the laborers' needs, so that the limited funds can only equip some laborers and others must remain in traditional economic departments, such as agriculture. In these departments, the division of social labor is simple; labor productivity is low; the quality of laborers is far from good; and there exists much hidden unemployment. Thus, the traditional economy cannot give a powerful demand impetus to modern industry, and will cause serious difficulties in the upgrading of the production and processing of elementary products to a relatively high industrial level. This situation hampered China's economic growth for a long time, and resulted in different economic structures, different production structure of laborers, and different patterns of population reproduction.

We are now facing this situation: Of the 1 billion population, 800 million are in rural areas and make a living basically with manual labor; some modernized industry and a large amount of backward industry, some of which is about 100 years old, coexist; some economically developed areas and vast underdeveloped and poor areas coexist; some science and technology of the world's advanced level and the generally low scientific and technological level of the one-quarter of the population which is illiterate and semi-illiterate, coexist.

The only way to get rid of this situation is to develop modern economic departments so that the potentially surplus laborers in the traditional departments can gradually transfer to modern economic departments. In the process of this transfer, traditional economic departments will be transformed and their technological equipment, technological level, and production ability will be further upgraded. In the sense of population science, the process of economic development in China is in essence a process of laborers in traditional economic departments transferring to modern departments. This is a long-term process. Therefore, from a long-term viewpoint, to fulfill the task in the initial stage of socialism, one important measure is to control population increase, to appropriately reduce the supply of future laborers, and to turn some investment in human resources into investment in material and production means. If we continue to maintain a trend of unlimited supply of laborers, then it will hamper the whole modernization process. A problem of coordinating strategies for economic development and strategies for population development is thus raised, forming our basic starting point for formulating population development strategies.

The 13th CPC Congress pointed out: After the 3d Plenary Session of the 11th CPC Central Committee, China's strategic plan for economic construction will be conducted in three steps. The first task has basically been completed; the second will be completed at the end of the century; and the third task will be completed in the middle of the next century. We shall then continue to advance on this basis. In formulating population development strategies, we must pay attention not only to the

demand raised by the second- and third-step economic development on the quantity and quality of our population, but also to population conditions for economic development in the second half of the next century. Population movement has a strong inertia effect. A child-bearing period of a short 10-odd years would usually take several decades to make readjustment, and population and economic problems caused by a child-bearing peak can only be solved through efforts made by people of several generations. It is precisely due to this that we must be prudent and cautious in formulating population development strategies.

The Population Target in the Second-Step Economic Development Strategies [subhead]

The fact that illiterate and semi-illiterate people account for one-quarter of the 1 billion population has affected the economic behavior of China's population and people's employment in high-technology industrial departments; hampered the transformation of traditional economic departments; and resulted in the pressure caused by the whole population on ecological environment.

There exists a middle variable between population and ecological environment. This variable is people's economic behavior. When population increases to a certain level, if we fail to upgrade people's economic behavior to a higher level, then the population increase will result in environmental pollution and damage to the ecological balance. We are now accelerating and deepening reform, but it is impossible to upgrade the economic behavior of 1 billion people to a higher level overnight. But China's population increase has resulted in a dual economic structure and big pressure on ecology and environment. If we do not make strenuous efforts to control population and reduce the pressure on ecological environment somewhat, then the consequences will be very serious. Concerning this problem, we must take action in two fields. The essential action is to upgrade the economic behavior of the 1 billion people to a higher level, to modernize that behavior, and to develop socialist commodity economy. But this will take some time. Therefore, before modernizing people's economic behavior, we must ensure that ecology and environment do not worsen excessively. According to the present situation, reasonably controlling population can play this role. So population control becomes our second urgent measure as well as an important link in promoting modernization. Therefore, from the basic starting point that population development strategies must coordinate with economic development strategies, before the fulfillment of China's second-step economic construction, in view of the forthcoming second child-bearing peak, women's total child-bearing rate should be beneath that level where the number of births replaces that of deaths and we must try to control our population around 1.2 billion.

Vigorously controlling population can affect not only the second-step development strategies, but also the third-step development strategies. Controlling population at

present can reasonably reduce the state's burden in births and the supply of future laborers. It can also prepare population conditions for the third-step economic development. We must also realize that the process of reducing the supply of future laborers is also a process of turning human resources investment into an investment in materials and production means. And increasing investment and the amount of funds for equipping each laborer is itself an extremely important task in the second-step economic development strategies. The essential problem here is whether China should set a target of negative population increase rate in the long run. The answer is negative. If we adopt a strategy of negative population increase for a long time, it will result in the ageing of our population, which we cannot bear either economically or in social and cultural traditions. Therefore, avoiding the ageing of our population and readjusting the age structure of our population are problems to which we must pay serious attention in the third-step economic development strategies.

Population Strategy in Third-Step Economic Development Strategies [subhead]

The ageing of our population is one kind of change in the age structure of our population. Changes in population conditions include not only the change in the quantity of the population, but also the change in the age structure. In other words, economic development is related not only to the quantity of our population, but also to its age structure. When the population size is controlled within a certain scope, the age structure will become the main factor in the population. The ageing of population is a product of the modernization of social economy, and one consequence of rapid development of productive forces. In history, no population with an extremely low level of production forces could become an aged population. Only when production forces develop to a certain level can the whole national economy support an aged population. China, which is in the initial stage of socialism, should not lower its guard on the problem of population ageing. If we adopt a strategy of negative population increase for a long time, then our population will become too old in the later period of the third-step economic development. At that time, people over 65 years of age will account for 30 percent of the total population. An excessively aged population will undoubtedly affect the ratio between investment and consumption in China and might result in a situation of insufficient investment and poor economic performance.

Western scholars are now conducting a debate on the relationship between population and economic development. The debate is directly prompted by the ageing of populations in Western countries. Many Western scholars and politicians are extremely worried about negative population increases in their countries, which merits our attention. We must pay close attention to rapid ageing of the population, and promptly adopt correct countermeasures in due course. During the period when China

adopts the third-step economic development strategies, an important measure is to encourage each couple to give birth to one child and to maintain the total child-bearing rate at a level of the number of births replacing that of deaths. Thus, China's population can reach a natural increase rate of zero during the period between 2035 and 2040, and try to basically maintain a zero increase rate in the future. In other words, China must treat zero increase as the strategic target for its population. This is a population strategy which takes into consideration both long-term and medium-term interests and is coordinated to the strategies of the whole economic development. Only thus can we lay a foundation and prepare population conditions for rapid economic development in the second half of the 21st century.

Involvement in Work-Study Program Encouraged
*OW191405 Beijing XINHUA in English 1048 GMT
18 Mar 88*

[Text] Beijing, March 18 (XINHUA) — More of China's elementary and secondary schools should get involved in the work-study program, because it is beneficial to the society and needs more support, a front-page commentary in today's "GUANGMING DAILY" said.

"The work-study program has many strong points," the paper explained, "because it offers students a sound general knowledge base and practical skill, and can help schools solve their financial problems, which are greatly worrying the country's educational and financial departments."

The work-study program has been part of China's educational structure since the mid-1950's, and was originally worked out to give students practical experience and earn money for the schools. Under the program, schools are allowed to run various enterprises like factories, shops, printing houses and farms, which employ their own workers, but where students are also assigned to work a few hours a week.

Last year, the program pulled in 1.7 billion yuan (460 million U.S. dollars), the commentary said, which is quite a large amount considering the state's annual budget for modernizing teaching equipment in the country's elementary and secondary schools is only 400 million yuan (108 million U.S. dollars).

"On the other hand," the commentary went on, "schools should put more energy into the system so they can improve living and working conditions for their faculty and staff."

In 1987, about 90 percent of the elementary and secondary schools in northeast China's Liaoning Province earned 200 million yuan (54.1 million U.S. dollars) via the program, the paper said, while in Beijing alone, 1,134 schools were participating in work-study.

According to the commentary, getting schools to participate in the program is still not easy and communities have to be encouraged to help the schools out.

Deng Writes Inscription for Party Magazine
*OW190749 Beijing XINHUA Domestic Service
in Chinese 1155 GMT 15 Mar 88*

[Text] Beijing, 15 Mar (XINHUA)—The DANGJIAN [8093 1696 PARTY BUILDING] magazine run by the Propaganda Department of the CPC Central Committee is being distributed throughout the country with its third issue this year.

Comrade Deng Xiaoping recently inscribed the name of the magazine. Comrades Li Xiannian, Chen Yun, Peng Zhen, Xu Xiangqian, and Yang Shangkun also wrote inscriptions for the magazine.

The DANGJIAN magazine began publication in January this year. It is published on the 5th of every month. The publication of the DANGJIAN magazine is aimed at following the guidelines laid down by the 13th National CPC Congress; studying and propagating the reform and open policy; strengthening party building; increasing the vitality of party organizations; bringing into full play the vanguard and exemplary role of party members; and improving and following party leadership. This publication will study and publicize new set ups, new ways, and new experiences of doing party work after separating party functions from those of the government and after separating government administration from enterprise management. It will explore and publicize theories for party building in the new period and introduce those Communist Party members who dare to blaze new trails, remain upright at all times, and make distinguished contributions. It will analyze and criticize unhealthy practices within the party and will adequately introduce the world communist movement, particularly the party building situation in the Soviet Union and the socialist countries of Eastern Europe.

Liao Chengzhi Remembered by Hu Qili, Others
*OW190853 Beijing XINHUA Domestic Service
in Chinese 1412 GMT 11 Mar 88*

[By reporter Zheng Qingdong]

[Text] Beijing, 11 Mar (XINHUA) — Hu Qili, member of the Standing Committee of the Political Bureau of the CPC Central Committee, this morning presided over a meeting at the Great Hall of the People to remember Comrade Liao Chengzhi, who passed away 5 years ago, and to discuss the compilation and publication of the "Collected Works of Liao Chengzhi" and the "Biography of Liao Chengzhi."

Hu Qili said: Comrade Liao Chengzhi was a proletarian revolutionary of the older generation, a distinguished leader of the party and state, and a staunch communist

fighter. During the long years of his painstaking revolutionary career, he worked for the workers movement and in white areas and the military field; made contributions to united front work, journalistic work, propaganda work, youth work, Overseas Chinese affairs work, and the world peace movement; worked in foreign affairs departments and the tourist industry; contributed to promoting Sino-Japanese friendship; and took part in work on Hong Kong, Macao, and Taiwan. He made outstanding contributions to China's revolution and development as well as to the liberation of mankind.

Hu Qili pointed out: Comrade Liao Chengzhi's revolutionary experience and writings are our precious spiritual wealth. In the current new situation of reform and opening to the outside world, compiling and publishing Comrade Liao Chengzhi's collected works and biography are good ways to remember him. This will undoubtedly inspire and encourage more people to work harder for carrying forward the revolutionary spirit of the older generation; further carry out the reform policy and opening to the outside world; and build socialism with Chinese characteristics.

Yan Mingfu, member of the Secretariat and director of the United Front Work Department of the CPC Central Committee, pointed out at the meeting: Comrade Liao Chengzhi was not only a distinguished leader of the party and state but was also an optimist and an interesting and warmhearted man with an open mind, talents in various fields, and a sense of humor. He kept in his broad mind not only the interests of the great motherland and its 1 billion people, the motherland's treasure island Taiwan, Hong Kong, and Macao, and the tens of millions of Overseas Chinese but also the interests of the entire world. To the last moment of his life, he was committed to and worked unyieldingly for the rejuvenation of the Chinese nation, the reunification of the motherland, and the peace and progress of mankind. Although it has been 5 years since his death, he still seems to live in the hearts of the people at home and abroad.

Yan Mingfu said: Comrade Liao Chengzhi inherited glorious revolutionary traditions from his parents and dedicated himself to the communist cause of the great motherland. Comrade Deng Yingchao personally wrote the following inscription: Comrade Liao Chengzhi made important contributions to China's revolution and development over the years and stood severe tests. He was always a revolutionary optimist. His fighting spirit never ebbed, and he was never slack in his work. He was a staunch and great fighter of the communist cause. These words are a good summary and lively appraisal of Comrade Liao Chengzhi's life.

More than 100 veteran comrades and friends who worked and lived with Comrade Liao Chengzhi remembered his past with deep affection. Participants of the meeting maintained that the collected works and biography of Comrade Liao Chengzhi should extensively

reflect his colorful revolutionary career and fully demonstrate his personality and spirit. They held that this will have great significance in promoting socialist spiritual civilization and in educating the younger generations and will generate positive influence at home and abroad.

It is learned that the CPC Central Committee has formally approved the writing and compilation of the "Collected Works of Liao Chengzhi" and the "Biography of Liao Chengzhi," which will be carried out by the Overseas Chinese Affairs Office of the State Council and other departments concerned. An office for the compilation of the collected works and biography has been set up. Compilation of the "Collected Works of Liao Chengzhi" and the "Biography of Liao Chengzhi" is scheduled to be completed by the end of next year and 1991 respectively. The two books will be simultaneously published by the People's Publishing House and Hong Kong's Sanlian Bookstore; they will be distributed at home and abroad.

Song Renqiong, Ma Haide, Li Qiang, Li Chuwen, Feng Wengen, Hu Liqiao, He Ying, Huang Dingchen, Luo Qingchang, Han Nianlong, Qian Liren, Epstein, Li Jinde, Wang Dingguo, Zhu Zhongli, Zhang Guoji, Yang Yindong, and Liao Chengzhi's widow spoke at the meeting.

Ye Fei, Deng Liqun, Zhu Muzhi, Zhu Liang, Mu Qing, Rong Gaotang, Hu Sheng, and Liao Hui also attended the meeting, which was jointly sponsored by the Overseas Chinese Affairs Office of the State Council and the Office for the Compilation of the "Collected Works of Liao Chengzhi" and the "Biography of Liao Chengzhi."

Li Tieying, Others at Book Publishing Ceremony
OW191225 Beijing XINHUA Domestic Service
in Chinese 0801 GMT 13 Mar 88

[By reporter Li Shangzhi]

[Excerpt] Beijing, 13 Mar (XINHUA) — A ceremony to mark the publication of a special collection of literature and data, "Reform and Development (1983-87)," was held at the Great Hall of the People this morning. The book, the first documented materials reviewing the achievements of the work of the NPC and Government during a specific term since the founding of the PRC, will be a good present for the upcoming First Session of the Seventh NPC.

Attending the ceremony were Li Tieying and Song Ping, members of the Political Bureau of the CPC Central Committee, Rui Jigang and Yan Mingfu, members of the Secretariat of the CPC Central Committee, Peng Chong, Wang Renzhong, and Rong Yiren, vice chairmen of the NPC Standing Committee, and Yang Jingren and Zhou Penyuan, vice chairmen of the CPPCC National Committee, as well as officials from relevant central state organs.

"Reform and Development" was jointly edited by the General Office of the NPC Standing Committee, the State Planning Commission, and the State Economic Information Center, and published by the China Planning Publishing House. It is a comprehensive collection which systematically reviews the achievements in reform and development in various fields during the Sixth NPC. The People's Government of 29 provinces, autonomous regions, and municipalities as well as 61 ministries, commissions, and committees under the State Council provided the scripts for the book.

Comrade Deng Xiaoping wrote the title for the book. Comrades Li Xiannian, Chen Yun, Peng Zhen, and Deng Yingchao wrote inscriptions. [passage omitted]

Tian Jiyun, Song Jian at Machine Tool Exhibit
OW182050 Beijing XINHUA in English 1733 GMT 18 Mar 88

[Text] Beijing, March 18 (XINHUA)—More than 50,000 visitors have attended the China machine tool and tool exhibition since it opened March 12.

Vice-Premier Tian Jiyun and State Councillor Song Jian were among the visitors tonight.

With more than 3.2 million machine tools China ranks second only to the Soviet Union in the number of tools it makes.

Last year the industry had an output value of 5.84 billion yuan, nearly double the previous year's. Export earnings totalled 120 million U.S. dollars, up 33 percent from the year before.

Sales of more than 30 million yuan have been recorded at the exhibition over the past seven days.

Two million U.S. dollars worth of orders have come from foreign countries.

Song Jian on Township Enterprises, Exports
OW202031 Beijing XINHUA in English 1608 GMT 20 Mar 88

[Text] Beijing, March 20 (XINHUA)—The total output value of township enterprises in China can expect to approach or exceed the nation's total industrial output value in about five years, provided their technological level is raised, State Councillor Song Jian said.

Over the past few years, the output value of China's township enterprises increased at a rate of 30 percent annually, reaching 45 million yuan last year, higher than the nation's total agricultural output value. Song, also minister in charge of the State Science and Technology Commission, said.

To ensure the development of township enterprises, he said, priorities should be given to technology improvement by continuing to carry out the "sparking program" and other similar projects.

The state councillor called for improving the technological level and developing export-oriented township enterprises in the coastal areas and suburbs of coastal cities.

Song said that industrial departments should help modernize agricultural production and upgrade township enterprises.

Song Jian on Science-Technology Management
OW191039 Beijing XINHUA Domestic Service in Chinese 0249 GMT 18 Mar 88

[By reporters Zhang Jimin and Zhuo Peirong]

[Text] Beijing, 18 Mar (XINHUA) — Song Jian, state councillor and concurrently chairman of the State Science and Technology Commission, recently called on all State Council departments and local people's governments at various levels to apply socialist legal means to consolidate and develop the fruits of reform in the science and technology management system and to promote scientific and technological advances, thereby integrating legislation as well as policy-making into the entire process of science and technology work.

Song Jian said: In deepening reform of the science and technology management system and promoting scientific and technological advances, it is necessary to follow correct macroscopic policy guidelines and apply socialist legal means. As we are in a transitional period in which new and old systems coexist in the absence of many rules and regulations, all departments and localities should earnestly carry out investigation and study and step up efforts to formulate policy measures that are suitable to China's national conditions and are conducive to reform, opening up, and development. It is necessary to promptly study new circumstances, experiences, and problems arising in reform and development; with a view to liberating scientific and technological productive forces, correctly handle contradictions in science and technology work; and step-by-step codify useful experiences according to legal procedures.

He called for attention to be paid in the following three areas of the current legislation and policy-making work of science and technology:

— It is necessary to give full play to the initiative of both central and local authorities. In order to ensure that there are laws for people to follow and to provide the experience for formulating policies, laws, and regulations applicable nationwide, local governments are encouraged to promptly enact laws, in the light of local realities, concerning issues on which the conditions for a national standard are not yet ripe.

— It is necessary to correctly handle the link between the relative stability of policies, laws, and regulations and the continuous developing of reform. Policies, laws, and regulations formulated on the basis of new experience in making and consolidating reform should remain a practice for a relatively long period as we deepen reform.

— It is necessary to properly handle the relationship between legislation and law enforcement. Scientific and technical workers should be familiar with the laws and skillful in applying policies and legal means to carry out the work in various fields, thereby gradually institutionalizing science and technology work.

According to a briefing, there are about 30 sets of laws and regulations concerning China's science and technology management system. In addition, there are quite a few local laws and regulations. In the five pilot cities for reforming the science and technology management system, namely Shenyang, Harbin, Nanjing, Guangzhou, and Huangshi, there are some 60 sets of laws and regulations in force.

Ulanhu Greets Minority Cadre Training Class
OW190935 Beijing XINHUA Domestic Service
in Chinese 1538 GMT 17 Mar 88

[By reporter Zhang Sutang]

[Text] Beijing, 17 Mar (XINHUA) — The 12th training class for young cadres of eight minority nationalities was inaugurated in Beijing today. The 185 CYL cadres at and above the county level, who are mostly Tibetan and Monggol from eight provinces and autonomous regions, will undergo 3 months of training at the Central CYL School.

Ulanhu, vice president of the state, sent a greetings message to the class, wishing them fruitful study and success in working with young people when they return home.

Banqen Erdini Qoigyi Gyancan, vice chairman of the NPC Standing Committee, attended and spoke at the inaugural ceremony. He said: As in other parts of the country, minority nationality areas have made advances in youth work in recent years. However, in order to accomplish the modernization program and build a high degree of material and spiritual civilization, much remains to be done. Therefore, training capable young minority nationality cadres has become a pressing task.

Banqen urged the students of the class to protect the unity among all nationalities and the motherland's unification like the pupils of their eyes and to wholeheartedly dedicate themselves to promoting unity among nationalities. He said: China is a big family consisting of 56 nationalities. We will earn the respect of other countries only when we live in harmony and unity, and our

motherland will prosper only when all Chinese nationalities unite as one on an equal footing and help each other strive for common progress.

What are the qualifications of a nationality cadre? In Banqen's opinion, a young minority nationality cadre must, first of all, support the CPC leadership; ardently love the motherland and socialism; have ideas, a sense of morality, and skills; obey laws; and take the lead in safeguarding unity among all nationalities. At the same time, he must love his nationality and be willing to mingle with the masses and contribute to its progress and development. Banqen urged the students to make the best use of time to enrich their knowledge and master more skills during their training.

According to reports, the Central CYL School has so far trained over 1,100 cadres from minority nationality regions. The students of the current class will focus their study on CYL work theories and the policy toward minority nationalities; they will also go on study tours in the coastal areas.

Zhang Zhu, vice chairman of the State Nationalities Affairs Commission, and Liu Yandong, member of the Secretariat of the CYL Central Committee, also spoke at the inaugural ceremony. Song Defu, first secretary of the CYL Central Committee, and Lobsen, vice chairman of the State Nationalities Affairs Commission, were present at the ceremony.

Autobiography of Scholar Hu Shi Published
OW191107 Beijing XINHUA in English 1508 GMT
18 Mar 88

[Text] Hefei, March 18 (XINHUA)—An autobiography of Hu Shi, one leading contemporary Chinese scholar, has come off press for the first time, XINHUA learned today.

In the autobiography published in his native Anhui Province, Hu depicted the local customs and the changes of his family.

Hu Shi (1891-1962) once studied in Connel and Columbia Universities, U.S.A. He was an earliest exponent of pragmatism in China, which he learned from his teacher, Professor John Dewey.

During the "May 4 Movement" in 1919, he advocated writings and free verse in the vernacular. He became Chinese Ambassador to the United States in 1938.

Commentator on 'Making Things Easy for People'
HK181557 Beijing RENMIN RIBAO in Chinese
16 Mar 88 p 1

[Commentator's article: "Establish the Idea of 'Making Things Easy for People'"]

[Text] At a recent work meeting on opening the coastal areas to the outside world, a central leading comrade emphatically pointed out that it is very important for all

government organs and units to foster the idea of "making things easy for people" and he affirmed the experiments of the customs in this field.

The principal nature of customs work is to set up checkpoints so state interests cannot be infringed upon. In appearance, the customs houses, which specialize in "checking people," seem to have nothing to do with "making things easy for people." However, being able to understand dialectically the relationship between supervision and services, customs comrades explicitly put forward in 1986 the guiding principle of work, "put the promotion of economic development first," in substitution for the old policy, "put prevention first." They regard "checking and services" as an entity. On the one hand, they keep illegal imports and exports under strict control; on the other hand, they offer numerous services to legal import and export business, which is carried out on a large scale. They have accumulated much fresh experience and promoted China's economic contacts with foreign countries.

"If you make things easy for people, you make things easy for yourselves." This old Chinese saying still contains fresh meaning. At present, on achieving the economic development strategy for the coastal areas, more and more entrepreneurs at home and abroad have aired a common desire: All relevant government organs should raise work efficiency as soon as possible, simplify working procedure, overcome bureaucratic work style, and completely remove the "inconveniences" caused to other people. It should be said this is not an excessive hope on the part of economic circles at home and abroad. The focus of our work today is to offer enthusiastic and good service and to make things easy for the Chinese and foreign enterprises taking part in the coastal export-oriented economy to attract more foreign capital and foreign trade and to stimulate the growth of the coastal export-oriented economy.

Whether our starting point in doing work and pondering questions is to "make things easy for people" or to "make things easy for ourselves" essentially reflects whether we uphold the principle of putting the overall interests first or putting the partial interests first and whether we take the growth of the productive forces as our starting point in considering problems. If we have the idea of developing the productive forces, we will not regard supervision and management purely as a matter of prevention, nor will we exclusively take our own convenience into account. Conversely, all things that are conducive to the growth of the productive forces should be supported and facilitated. Even if this increases the difficulty of our work and involves small risks, we should think nothing of hardships. In judging the achievements of our work, we should first consider the contribution we have made to the growth of the productive forces. Now, all walks of life in society have gone into action and joined in international exchange. Not only do state and collective enterprises have such initiative, but private enterprises have also made similar demands. However,

some of the existing rules, regulations, and working procedures are obviously not suited to the conditions. In customs work, import and export, and foreign exchange control, we should voluntarily create conditions, improve our work style, and offer services to the work of importing more raw materials and exporting more products at any time to suit the needs of changeable, acute competition on the international market. We should foster the idea of "making things easy for people" and reform rules, regulations, and work styles that are not in keeping with this requirement. This is a major issue that has something to do with the implementation of the coastal economic development strategy. On no account should we treat it lightly.

Zhang Boxiang on PLA Discipline Inspection Drive
OW191048 Beijing XINHUA Domestic Service
in Chinese 1502 GMT 16 Mar 88

[By reporter Guo Diancheng and correspondent Gao Chao]

[Text] Beijing, 16 Mar (XINHUA)—Zhang Boxiang, deputy secretary of the Discipline Inspection Commission under the Central Military Commission, called on the discipline inspection commissions at all levels in the Army to play their supervisory role well, display a fine style of work and strengthen their discipline in reforming the housing system. Phenomena such as "You have a policy, while I have ways to deal with the policy," and "It only takes a little while to go through the self-criticism, but I can enjoy the rest of my life" are certainly not permitted to prevail.

The above remarks were made this afternoon by Zhang Boxiang at the all-Army meeting on the work to reform the military housing system.

Zhang Boxiang said: Extra houses occupied due to either subjective or objective reasons in the past must be returned according to rules and regulations approved by the Central Military Commission. Military cadres at all levels who are party members must take the lead in doing away with the welfare concept, the concept of payment in kind and the rank concept in housing terms. They must take into consideration the overall situation; abide by the rules and regulations; correctly handle relations between individual interests and collective interests and between collective interests and the state interests; and play their exemplary role well in reforming the military housing system. Efforts must be made to correct and combat phenomena of improper implementation of the housing system and lax discipline. We must earnestly investigate and deal with new unhealthy practices and issues concerning any violation of party discipline, and will never treat cases in this regard with leniency.

Zhang Boxiang also pointed out: The reform of the housing system and the building of party style promote each other. The reform will clean up the breeding ground

where unhealthy practices prevail and overcome the shortcomings of the existing housing system. The unhealthy practices which have prevailed in building and assigning houses for a long time have caused resentment among the masses, and impaired party prestige. In order to correct these unhealthy practices, the party committees and discipline inspections at all levels have done a great deal of work and made some achievements. However, they have not solved all the problems. Aside from some subjective factors, this is also inseparable from the irrationality of the housing system. The outmoded housing system has encouraged unhealthy practices in building and assigning houses, and helped those who make use of their authority to seek personal gains. It will be hard to thoroughly correct the unhealthy practices without basically reforming the whole system. The Discipline Inspection Commissions at all levels in the Army must make use of this housing reform to help party committees completely correct the unhealthy trends in housing and bring about a turn for the better in party style.

Taiwan Art Troupe Performs in Beijing
HK190616 Beijing ZHONGGUO XINWEN SHE
in Chinese 1437 GMT 18 Mar 88

[Text] Beijing 18 Mar (ZHONGGUO XINWEN SHE)—For the first time in 38 years, a Taiwan art performing troupe, the Taiwan Pop Singers Troupe visiting relatives in the mainland, has performed in the mainland. This evening they presented their premiere at the Capital Stadium, where they were welcomed warmly by 18,000 Beijing fans.

When the press here reported that the troupe would present their premiere in Beijing, Beijing fans started to fix their attention on any information about the three shows scheduled on 18, 19, and 20 March. In less than 2 hours after the Capital Stadium booking office posted the schedule of the shows and the hours of the booking service on the morning of 15 March, all 54,000 tickets were sold out. The sponsors of the shows had to schedule an additional performance to fulfill the wishes of the mainland compatriots, who had longed to appreciate the performance of Taiwan singers.

The 13 members of the Taiwan Pop Singers Troupe arrived in Beijing on 14 March as scheduled. In a program that lasts about 3 hours, they sang nonstop a medley of pop songs of different times and styles, beginning with some that originated in Shanghai in the 1930s to the Taiwan campus songs that swept across the island in the 1970s. Then, they each give a solo performance that includes dancing of popular songs representative of the hit parade in Taiwan today. Miss Chiang Ai-lan [1203 5337 5659], a singer from Amei [7093 5019], a branch of the Kaoshan nationality, has left a deep impression on the audience with her performance in a nationality costume and ornaments that match her amazing hairdo.

In an interview with this reporter, Mr Wang Chin [3769 5150], the director of the troupe, said: The compatriots on the two shores have been isolated from each other for almost 40 years. We are trying our best to outline the development of Taiwan popular songs in our program, so that our mainland compatriots may have some idea of it. It is our intention to ease the cultural exchange between the two shores.

"I love my native soil and my home, I love my folks and the one in my heart; the more so I love the Chinese nation now burning with passion." The program proceeded in a lively atmosphere, and concluded in a chorus of the song "Burning Love" filled with feeling for the Chinese nation.

The singers told this reporter that Beijing, this very ancient and solemn city, left a very nice impression on them. They felt the cordiality received at one's homecoming. One member of the audience believes that the songs of Taiwan and the mainland are very similar. After all, they belong to the same culture. Only their costumes and actions are richer in variation.

Some government officials also attended the premiere.

Article Views Contemporary Chinese Literature
HK181255 Beijing RENMIN RIBAO in Chinese
8 Mar 88 p 5

[Article by Liu Xinwu (0491 1800 2976): "Chinese Writers and the World Today"]

[Text] The movie "Red Sorghum" collected the eye-catching Gold Bear Award at the Berlin International Film Festival. This must have thrilled a good many Chinese writers. Despite the fact that the movie was based on the novelette of the same title, the Gold Bear Award it won only signaled the entrance of contemporary Chinese movies into the world, but did not prove that contemporary Chinese literature has gained the same recognition. It was the same with the Japanese movie "Rashomon," which was a 1951 production based on the novel of that title. "Rashomon" collected the Gold Lion Award at the Venice film festival; neither did the event signal the entrance of Japanese literature to the West. It was not until 17 years later, when Yasunari Kawabata became a Nobel Prize winner for literature in 1968, that Japanese literature actually entered the Western world.

Some Chinese writers and many Chinese readers as well have yearned to see contemporary Chinese literature following the footsteps of such movies as "Yellow Earth," "Old Well," and "Red Sorghum," to be acknowledged by the whole world conspicuously and even dynamically.

Under the situation that China has adhered to opening to the world and all-around reform for 10 years, the emergence of such a mentality is inevitable, and is

generally positive and healthy at that. Contemporary Chinese civilization, including contemporary literature, should inherit and bring forward the fine unique qualities in the long-standing national tradition. At the same time, it should communicate with contemporary world civilization, including world literature, through bold and vigorous changes.

True, the hope for communication is precious, but it is easier said than done. Hence, the emergence of many interesting phenomena in the world of letters. Such phenomena are worth our research and exploration from the angle of cultural psychology.

By chance, I have at hand a clipping from the 22 October 1987 issue of the weekly LITERATURE AND ART, a supplement of the Hong Kong WEN WEI PO American edition. It is an article entitled "An Unusual Autumn—Notes on Several Chinese Writers Visiting the United States," by a Mr Ke Yun [2047 0062], who has settled down in the United States. He mentions that more than 10 Chinese writers from the two shores of the strait were visiting the United States in October 1987. Each told the audience in Iowa what was in his mind on the topic of "Why I Write." The article says: "It is learned that new wave writers of the modernist school do not care for such topics as social 'sense of responsibility' and 'sense of historical mission.' However, Taiwan writer Lee Ang [2621 2491] stated that she had started to write simply because she 'liked' it, and, in writing, 'she was able to gain an irreplaceable sense of satisfaction.' In addition, she said: 'I started to write because I like writing; but by and by, I found myself gaining a sense of historical mission.' ...while some writers from Mainland China seemed to put the issue in a more obscure and indifferent way intentionally. For instance, Zhang Xianliang said at a meeting: 'Why do I write? It is simply because I want to tell people abroad what I feel, and to get rid of my solitude.' Chang Xinxin [1728 6580 2946] said: 'What has driven me to novel writing from the very beginning is simply because it has a bewildering power' and 'later, it occurred to me that novel writing may some day change my fate.' Ah Cheng even put it very briefly in a mysterious way, 'I write simply to satisfy myself.' ...I cannot believe it; can things be that simple? Will some mainland writers be pushing themselves too hard to follow the 'tide,' while arbitrarily seeking the environment of a 'free world,' with certain degrees of 'pretension' and even 'self-distortion' in consequence?" Ke Yun's comments may sound pungent, and out of context, too; or, he might have misunderstood the statements as quoted. But I believe in his good will; moreover, the mainland writers he mentioned have already been highly assessed both at home and abroad. I think they are able to stomach his criticism or misunderstanding. They can write to make complete and perfect their conceptions or statements in defense of themselves, or simply brush them aside. However, I believe that there is nothing wrong with Ke Yun's general impression. It is rather fashionable in our world of letters today to be ashamed of talking about the sense of mission and sense

of responsibility and to believe that writings based on the sense of mission and sense of responsibility fall into the "non-literary" category. For example, carried in the journal WENXUE JIAO [LITERATURE CORNER] No 1, 1988, sponsored by the Shanghai branch of the Chinese Writers' Association, is an article by Wu Liang [0702 0081] entitled "Literary and Non-Literary," characterized by the style of "meditation and monologue." The author has made such propositions as "the liquidation of meaning" and "art is nothing but form," which explicitly demonstrates: "Art is just another name for that thing which is called form. Art is nothing but form; by no means is any form of art 'inborn with meaning.' Once people begin to talk about the 'meaning' of form, they will lead the issue out of the realm of form, namely, out of the realm of art." Again, to single out literature specifically from all categories of the arts, he said: "In sum, literature is the kind of work to record what one has witnessed, listened, and thought of; it does not teach others to hope and to seek something." Such a conception is rather representative. Not only does it reject the sense of historical mission and sense of responsibility, but it also detests all purposes, functions, orders, and uses. If such a concept is adopted strictly as a yardstick to measure the literary phenomena in the world, then the works of those Nobel Prize laurels and themselves should first come under criticism and sublation, because the criteria for the Nobel Prize for Literature were explicitly written into Nobel's final will in November 1895, which read: "The prize for literature must be awarded to the most outstanding writers who have created outstanding works of idealism in the field of literature." True, the identification of idealism in determining Nobel Prize winners has not been unanimous and has even been disputed over the years, but it has always been stressed that literary works as a category of arts must possess "meaning," which must be "great" at that. That has been explicit and unmistakable; If we take a panoramic view of the world of letters in China today, calmly and in a truth-seeking way, we will find it interesting to see that almost everywhere there are some writers, young writers in particular, who have created works based on the principle of "liquidation of meaning" to various degrees as well as literary theoretical critiques advocating such concepts as "art is nothing but form." Most of these articles call for Chinese literature going out of China into the world. However, the world in their eyes is not or primarily not Africa, Saudi Arabia, Burma, Peru, or Trinidad and Tobago, but the United States and Western Europe. The world standard and the sign for entering into that world are none other than the Nobel Prize for Literature.

Here, I would like to explore some of the cultural psychological causes that account for the emergence of the concepts in this category and those phenomena.

First, they are logical rebounds on our former unitary literary theory, almost lop-sided literary criticism of a political and social nature, rigid pattern of literary creation, inappropriate policy for literature and art, tight

cocooning of the humanities, and suppression of the younger generation in the field of literature in the practice of considering qualifications and arranging ranks according to seniority. Two basic wishes—the wish to communicate with world civilization, including world literature, and the wish to make great changes—have affected each other, merged with each other, and brought about astounding effects with the implementation of the basic national policy of reform and opening to the world. This is because the past was too monotonous, too rigid, too dull, and too repressing. So, the other way round now is to do everything one can to pursue things new, strange, and even queer, to join in the rush into forbidden areas, to do something extraordinary, to fully elaborate one's imagination, and to give vent to one's personal feelings, until some saying or practice is pushed to the extreme.

And second, because the cocooning was too tight and rigid in the past, once the door and windows are open, when all the vigor and vitality have been returned to people, they were astonished, but not without sorrow, that the world outside the door had changed beyond their imagination. They found that even if they ran at top speed, it would still be very difficult to narrow the gap between themselves and the outside world. Thus, a sentiment rose among them interwoven with anxiety, impatience, and worries. It is just natural for them to cherish the hope to find a shortcut to the world in such a sentiment. To do so, they must transcend something and find a straight line between two points. They decided that the social system and ideology must first be bypassed, and even ethics and rational thinking can be quite troublesome in handling. Therefore, the best approach can only be some interesting things best shared by all mankind, which are none other than sexuality and other instincts. They are bent on writing about those things. Facing the increasing volume of "instinct literature" with each passing day, I believe that it is first necessary to adopt an open-minded attitude toward such "instinct literature." Only when we have a deep understanding of such phenomenon in our world of letters in recent years, will it be possible to avoid rough meddling with works in this category as "the new trend of class struggle," nor will they be regarded as the consequential malpractices of the new state policy of reform and opening up in a muddle-headed way. Such trends in the world of letters are actually the stumbling in the progress of contemporary Chinese literature. To my mind, this is inevitable. Regarding the Chinese nation, which is revolving around the axis that spells prosperity, the emergence of such literary phenomena, whether good or bad or mixed with something good and bad, is no big deal.

Another approach to find a straight line between two points is to exert one's utmost to study "what Westerners are thinking about." It seems that in contemporary China, even the most avant-garde writers can do without the "love-knot" theme, which is inseparable from and characterized by the Chinese nation. Therefore, even when they have a pretty clear idea that some Westerners

are fond of so-called "dissidents" and that some Westerners are most enthusiastic about "underground writers and their works" from socialist-type countries and "the works of writers in exile on their life in exile" from these countries, no writers worthy of the title have ever made the choice to become dissidents on a voluntary basis. In fact, most Westerners cherish good will toward socialist China, and their interests transcend the socialist system and ideology. It will not be difficult to find out that what interests them most is so-called "Oriental mysticism." Therefore, it seems that to make one's works come closer to their taste as quickly as possible, the shortcut can only be catering to it. Even in some works in which the authors had no intention of catering to the interests of the external world, they often contain factors of catering to the taste of the domestic market, and some works even manifest that such intention has been the authors' major concern. Even so, some such works can be very good or at least interesting. Here, I do not intend to assess their literary value, but to sketch a more comprehensive picture of a cultural mentality that is by no means confined to some individual in China's world of letters today.

Quite a number of Chinese writers are trying to go beyond China, the West primarily, with such a positive attitude. Our writers and readers of future generations may fully understand and find our doings today moving to song and tears; these have already been termed impulsive and absurd.

In the final analysis, the greatest obstruction to Chinese literature going into the world rests in its symbolic system—the written form of the Chinese language. The arts of any nation that has taken the lead in entering the world must have adopted certain categories of symbolic systems largely universal to mankind, as in the cases of painting, works of arts and crafts, and music. With movies, it is basically the same. Appreciation of "Red Sorghum," directed by Zhang Yimou, does not involve the understanding of the Chinese language or special training in Chinese; in short, no translation is necessary. With novels, translation is involved. How many Westerners can understand written Chinese? How many can read contemporary Chinese novels? Even when these novels are translated into some foreign languages, and some have been read and commented upon favorably in the press, how many contemporary Chinese writers and their works have won worldwide recognition similar to that of Graham Greene of the United Kingdom, Alain Robbe-Grillet of France, J.D. Salinger and Joyce Carol Oates of the United States, and Soviet poet Yevgeny Yevtushenko—not to mention here the Nobel Prize laurels—whose influence among Chinese writers and readers have been so great?

On this point, Zhang Chengzhi [1728 2052 1807] was the first to wake up to reality. He published an article entitled "Dessert of Graceful Writing" in WENXUE PINGLUN [LITERARY CRITICISM] No 6, 1985, which is worth our attention. In his article, he talks about

his personal experiences in Japan, in which he had gone through the whole course from longing for communication to complete disappointment. He stated: "Even now, in my private meditation, I find myself fortunate to have undergone that change, and deep in heart, I have ascertained a nontheoretical understanding; namely, fine contemporary Chinese literature is incapable of communication with foreigners." "Why? Apart from many reasons that do not fall into the category of this article, I would like to point out one problem: Graceful writing cannot be translated." In this article, he outspokenly points out: "At a time when the question of respect is far from a solution, I can assert that regarding the research, translation, and briefing of Chinese literature foreign publication circles will provide their readers mostly some mediocre stories or some information on political and social issues. Really fine works of contemporary Chinese literature are either not selected or beyond their ability of translation or comprehension." The indignation of Zhang Chengzhi's words may sound somewhat harsh on those contemporary Chinese writers whose works have been translated abroad or on those Western Sinologists who have exerted their efforts and time in translating and introducing these works. However, his words actually contain some problems that we must face squarely.

Now, it seems that the only way for contemporary Chinese writers and their works to get into the world is to write in a foreign language. Only then will graceful writing be nothing other than graceful writing, and all Westerners will have to do is to read the original and will never come under the restrictions of Sinologists. Some Third World writers have been doing that. Take, for instance, the 1986 Nobel Prize winner, the Nigerian writer Wole Soyinka. Many of his works have been written directly in English and directly published abroad. For another example, the 1987 Nobel Prize winner of Russian origin Joseph Brodsky. Half of his works were directly written in English or translated by himself from Russian into English and published directly in the West. However if some Chinese writers do the same thing, can they be regarded as Chinese writers? When I was visiting the United States last fall, a Miss Nien Cheng was at the height of popularity. She left Shanghai for the United States in the wake of the "Cultural Revolution" and wrote a book directly in English entitled "Life and Death in Shanghai." THE NEW YORK TIMES and TIME magazine commented on the book; eventually, it became a bestseller. It was said that the reaction to the book of American readers other than Americans of Chinese origin was really strong. Americans of Chinese origin who read the book did not find anything new in what she wrote, and the thoughts expressed were by no means profound. Compared with works of the same category reflecting the "Cultural Revolution" at home, neither the essence nor thinking in the book are superior. However, the greatest advantage of her book is precisely that it is written in

standard contemporary American English, which can easily be digested by contemporary Americans. Chinese works that must undergo translation can never hold a candle to it.

This is precisely the contemporary world Chinese writers are facing. In today's world, the economic powers remain Western countries. Accompanying their powerful economy must be their outflowing culture, which attracts regions relatively backward in economy. So long as Third World nations do not confine themselves in a cocoon and keep their doors open, Western culture will certainly surge in or infiltrate into them. This has decided the situation China's world of letters is facing. In reality, world literature has come into China instead of Chinese literature going out to the world. Actually, so-called world literature is in the main Western literature. Even the best contemporary Chinese writers are very little known to ordinary people in the West, and few of their books have been published in the West, but some second- or third-rate Western writers are known to Chinese readers, and works of some third- and fourth-rate Western writers have also been translated and published in huge volumes. On the other hand, how many Chinese writers are familiar with and long to study the works of the excellent writers of other Eastern nations, such as the first-rate writers of Thailand, Burma, Turkey, and Sri Lanka?

Many Western countries have begun to acknowledge in recent years the existence of literature in contemporary China, and have gradually stepped up the translation and introduction of contemporary Chinese literature. Why? They have felt the great changes primarily in politics since the 3d Plenary Session of the 11th CPC Central Committee. Economically, they have established inseparable ties with a China that is now open to the world. Such ties, so new in nature, have increasingly grown larger in scope and involved many fields. This is precisely the starting point from which the West began to pay heed to contemporary Chinese literature. It is on this basis that some people in the West are willing to pay the expenses for exchanges with China's world of letters. Thus Western Sinologists have been enabled to make a living and to start a career in the research of contemporary Chinese literature, contemporary Chinese literature has been given a place in the curricula of institutes of higher education in the West, and Chinese writers have had the chance to be invited to visit many Western countries. Then, some commercial publishing houses in the West began to publish some translated versions of the works of contemporary Chinese writers, capitalizing on the interest of Western readers in contemporary China. Under such conditions, Zhang Jie's novel "Heavy Wings," directly reflecting the social reform in China, became the first book translated and widely published in the West. But the translation and publication of works of the "root-finding school" or in the category of exploring pure form came later or have not yet even begun. In this initial stage, it is inevitable that the West will take to a

certain degree, the works of contemporary Chinese writers as "information on some political and social issues" and that they will prefer "mediocre works" to "graceful writing." Inevitable are also "dark horses," "failure to tell the good from the inferior," prejudices, and "ulterior motives." However, many facts have proved that the West has eventually arrived at a genuine aesthetic plane in the translation and introduction of works of contemporary Chinese writers. The longing of many Chinese writers and readers for the just and satisfying acknowledgement of contemporary Chinese literature as received by the movie "Red Sorghum" is now not so hopeless as it seems, and the mast of contemporary Chinese literature is now within sight.

I have not the least intention of bringing the pluralistic situation of literature suitable to the great environment of the humanities in the wake of reform and opening up back to the old ways of centralism. What I want to stress is that I believe none of the works advocating the "liquidation of meaning," or "going straight for primeval instinctive impulses shared by all mankind," a shortcut in a straight line between two points, and the literary theory and criticism advocating "art is nothing but form," negating all kinds of "meaning," and being ashamed of talking about the sense of mission, and the sense of responsibility may not be at a wise plane of soberly understanding the contemporary world. In a nutshell, the contemporary world has begun to pay heed to contemporary Chinese literature only because China has been engaged in reform and opening up. Therefore, the conscious identification with China's reform and opening up and active participation means that the segment of Chinese writers with a sense of national mission and sense of social responsibility will concentrate their minds on writing beautiful works primarily for the Chinese writers in the arduous journey not by looking for a shortcut, even if they do not take reform and opening up as the subject matter in their writing. They will also not try to promote or to remove anything with their works. I believe that it is the cream of this part of Chinese writers who are the most likely to become known to Western readers of world literature.

First Language Atlas of Nation Published
HK190336 Beijing CHINA DAILY in English
19 Mar 88 p 3

[By a staff reporter]

[Text] The first edition of the LANGUAGE ATLAS OF CHINA, a joint project by the Chinese Academy of Social Sciences and the Australian Academy of Humanities, will be published today.

English and Chinese editions of the atlas contain 36 multi-coloured maps and accompanying texts giving comprehensive linguistic, demographic and bibliographic information, as well as useful indexes.

In China there are, at present, 56 recognized nationalities (ethnic groups) with 78 dialects, including 13 languages spoken in Taiwan. The numerous languages spoken represent many of the major language families of the world. The overall language situation in China is very complex, especially in terms of the distribution and classification of languages and dialects.

The LANGUAGE ATLAS OF CHINA, is the first attempt at producing comprehensive picture of the Chinese dialects and minority languages. These are presented on a number of coloured maps. Texts include new information which, until now, has not been available outside, or even within, China.

The atlas concentrates on showing the distribution of languages rather than being a scientific work of interest only to linguistic specialists. It provides easily understandable, detailed and graphic information which has been lacking until now.

The map is intended to be of use to a wide variety of governmental, administrative and other agencies both inside and out of China and individuals with a practical interest in China and its languages.

The second section of the atlas will be completed in August this year.

RENMIN RIBAO Report on Housing Reform Survey
HK181455 Beijing RENMIN RIBAO in Chinese
8 Mar 88 p 2

[Report by Ren Yun (0117 5686) and Li Weizuo (2621 34521563): "Survey Shows That Urban Residents Welcome Housing Reform"—passages in boldface as published]

[Text] What are the reactions of the urban residents after the plan for urban housing reform was published? What are their plans? In view of these questions, various provinces, including Fujian and Heilongjiang, and cities, including Harbin and Xiangfan, recently conducted a sample survey.

The majority of people are giving support. Xiangfan: 90.91 percent of the people agree with housing reform. Fujian: 66 percent of the people hold that the housing system has many problems and that the time to reform the system has come. Concern for personal interests and utter loathing of the unhealthy trend in housing distribution is an important reason for the people's support of housing reform. Some people hold that trying to find an apartment to rent is harder than finding a spouse, and that as the back door cannot be stopped up, a small number of people will benefit and harm will be done to the common people. People are pinning their hope on reform. The survey conducted in Fujian reveals that 56 percent of the people hold that reform can curb the unhealthy trend in housing, 17 percent hold that reform

can encourage individuals to purchase houses, 14 percent hold that reform can promote rapid development of the construction and building material trades, and 11 percent hold that reform can improve the consumption pattern.

A small number of people are full of misgivings. Fujian: 17 percent of the people do not approve of housing reform. Xiangfan: One-third of the people who approve of housing reform consider that "implementation of housing reform must be postponed." These residents have misgivings in several main aspects:

—They worry that rents will go up, leading to a drop in their living standard. They hold that the system of low wages will restrict the possibility of housing reform, and the increase in rents will break the balance between income and expenditure. Families whose income is low and members numerous will especially shoulder a heavy burden of rents.

—They worry about intermediate interference. They hold that the current housing system is beneficial to leading cadres. They are worrying that leading cadres will not support the good policies or will not implement them correctly.

—They worry that they have no money to buy the commodity apartments. Some people said worriedly: "The problem of food has already been a burden. We do not want to make rent become an even bigger burden!" The information coming from Heilongjiang shows that only 4.9 percent of families in difficulty now living in less than 5 square meters per person can afford to buy their own apartments within the next 10 years; 30 percent of the people can pay the price of apartments by themselves, the others can pay with state loans, and only 7.1 percent can afford to buy their own apartments within the next 10 years.

In the course of the survey, it was learned that the residents of Harbin hoped to have a rational policy of rent subsidies so that on the basis of not lowering their living standard, they could afford to buy their own apartments and improve their housing situation and that laws and regulations could be formulated to guarantee the smooth carrying out of housing reform.

Subsequent to housing reform, many residents have the following plans. The survey conducted by the urban sample survey team of Fujian Province shows: 72.5 percent are demanding state subsidies to cover rent increases while 37.7 percent are planning to cut back on living expenses, 19.3 percent will reduce their savings deposits in banks for housing expenses, and 11.1 percent intend to move from larger to smaller homes.

Reform of Urban Housing Moving Forward
HK190340 Beijing CHINA DAILY in English
19 Mar 88 p 4

[By Twang Gangyi]

[Text] After eight years of investigation and experiment, the reform of China's urban housing system is now being implemented throughout the country with the approval of the State Council.

This will eventually solve the country's long-standing urban housing problem and benefit the economy as a whole by checking the too-rapid rise in people's purchasing power and creating a more rational consumption pattern.

Gao Shangquan, vice-minister in charge of the State Commission for Restructuring the Economy, said China's urban housing system has long suffered from short supply, excess demand and unfair distribution.

He told CHINA DAILY that the imbalance of supply and demand was a direct result of the country's inadequate urban housing policy, which regards housing as a social welfare item rather than a commodity.

Urban housing construction did not receive significant financial support from the central government prior to 1980. The lack of development funds, coupled with an ever-growing population (about 400 million in 1949 compared with more than 1 billion at present), is the main reason for the steady decline in urban housing conditions over the last 30 years.

Statistics show that the average living space per person dwindled from 4.5 square metres in the early 1950s to 3.6 square metres in 1978.

Massive urban construction in recent years has led to an improvement, with the average increasing to about eight square metres at the end of last year.

But this figure does not reflect reality. Almost a quarter of urban residents have no house or only poor housing conditions. The cause, Gao notes, lies in extremely low housing rents and unfair distribution. The low rents mean that people in senior positions can afford to take over more than their due share of housing leaving others with no houses.

In China, public apartments are built by State enterprises and institutions and are distributed by individual work units to employees according to seniority and position. Although need has always been emphasized as one of the most important criteria, it has not played as decisive a role it should.

The irony lies in the fact that this is the only inevitable outcome of the country's misguided housing policy, which has treated housing solely as a social welfare item.

According to Gao, the average family spends only 1 to 2 percent of its monthly income on rents. Investigations show this figure represents just a quarter of the money the family spends on tea and cigarettes each month.

With such an irrationally low housing charge, no administrative means will be effective enough to eliminate fraud in the distribution of housing.

What is worse, he says, is the fact that the low cost of housing has led consumers to spend their money on other things—mainly durables and food—which, in turn, has driven up the country's inflation rate.

From 1983 to the end of 1986, the popularity of major durable items grew by 550 percent, a growth rate which the Soviet Union took a whole decade to reach, according to a group of economists in the Institute of Economics at the Chinese Academy of Social Sciences.

The economists say 72.9 percent of urban residents now believe colour television, refrigerators, washing machines and tape recorders are indispensable items. At least 80 billion yuan exists in personal savings for the purchase of these goods in the future.

A further improvement in food quality is the biggest concern of 37.5 percent of urban dwellers, while only a meagre 3.4 percent choose buying houses as their top priority.

Gao Shangquan stresses that this unreasonable consumption pattern, if not controlled, will certainly have a long-term effect on the development of the national economy.

He says housing reform, aimed at increasing rents to spur people into buying houses of their own, is a convenient way of exercising such a control. Higher housing charges will encourage more people to divert a significant part of their bank savings from durables to housing, he says.

He stresses that the housing sector should play a positive role in economic development. In foreign countries, he says, housing is usually the family's main asset and this encourages people to save. Together with the increase in household earnings, the portion spent on housing would also be enlarged. This can contribute to the development of a sound economy.

In China, housing costs are paid for through public spending, while in other countries people generally buy their own homes.

Steps [Subhead]

Shifting the heavy financial burden from the government to individuals will certainly help form a more rational consumption structure and provide a balancing mechanism of social supply and demand, he adds.

Gao says that the ultimate purpose is to commercialize the whole process of housing construction and distribution.

"Our present goal is to raise the average rents per square metre to the level where they can compensate for the construction cost," he said. the reform will be carried out step by step.

"After this is achieved, within three to five years," he adds, "we will raise the rents further to a profit-making level, so that housing construction will become a self-developing sector in the economy.

"So far, the reform has proved a success story in the eight cities which have pioneered it and we expect it to be just as successful throughout the country," he said.

Measures for Curbing Price Rises Outlined

HK190657 Beijing GUANGMING RIBAO
in Chinese 27 Feb 88 p 3

[Article by Yin Kesheng (3009 0344 0524): "The Causes of the Rise of General Price Levels in China and Countermeasures"]

[Text] In recent years, there has been a fairly big increase in our country's general price level, seriously hindering the development of the economy and the deepening of the reform. Therefore, correctly understanding the causes of this rise and formulating appropriate policy measures are an important task in our current economic work.

The Causes for the Rise of the General Price Level [subhead]

One cause is that the excessive growth of demand has led to a demand-generated rise in the general price level. As everybody knows, the factor that determines the rise or fall of the general price level is total supply and demand. When total supply is equal to total demand, the general price level is secured but when total demand exceeds total supply, the general price level rises. China is currently in the latter situation. Its specific manifestations are inflated investment and overexpanded consumption funds. In the last few years, investment in fixed assets and consumption funds has grown quite rapidly. The investment in fixed assets increased by 41.8 percent in 1985 and again rose by 16.7 percent in 1986 from the previous year. The total wages of employees increased by 22 percent in 1985 and 20 percent in 1986. Inflated investment and overexpanded consumption funds are bound to lead to financial deficit and inflated credit and to the issuance of currency in excess of economic strength, and also to generate a rise in the general price level. During the Sixth 5-Year Plan, our country had a 52.8 billion yuan financial deficit and it was 64.2 billion yuan short of loan capital for practical use. This is the main cause of the rise of the general price level.

Another cause is that the increased prices of production elements have led to a cost-generated rise in the general price level. The production of each enterprise is always targeted at a certain amount of profits. When production costs rise, to maintain a certain level of profits, the enterprise will inevitably raise the prices of its products. Otherwise, it has to reduce production. Therefore, when the production costs of most enterprises rise, the general price level will rise too. Otherwise, total supply will drop. When there is a drop in total supply but total demand stays at a certain level, there will be a gap between total supply and demand. This will also lead to a rise in the general price level. In the last few years, with the exception of 1 or 2 years, there has been an upward trend in the production costs of our country's enterprises. Production costs of manufactured goods increased by 1.97 percent in 1984 over the previous year, 7.7 percent in 1985, and 6.6 percent in 1986. There are mainly three factors causing the rise of enterprises' production costs: too rapid wage growth, increased prices of production means, and poor enterprise economic results.

The third cause is that structural imbalance caused a rise in the general price level. When total demand expands, if total supply can grow along with it, the general price level will be secured. The problem facing us now is that the expansion of total supply is handicapped by a structural imbalance. In the industrial sector, this state of affairs is manifested in the relatively backward development of energy and raw and semifinished materials industries and communications and transportation and in the agricultural sector, it finds expression in the comparatively inadequate production of a few products including grain. Handicapped by these production sectors that run short, enterprises in other sectors, though they have sufficient production capacity, still cannot put it to practical use. Therefore, it is difficult to expand total supply.

Several Countermeasures [subhead]

The first countermeasure is to pursue a tightened credit and financial policy to guard against inflated credit and financial deficit. To avoid the harmful consequences of the policy squeeze of 1985 that "demanded uniformity in solving problems," tightening up should be applied on a case-by-case basis. Investment in processing industries and in non-productive construction should be strictly controlled and controls over investment in those production sectors subject to shortages should be relaxed. Therefore, the aim is to control investment made by local governments and township and town enterprises outside the plan, in particular, investment by the latter, rather than investment in key projects in the state plan. It is true that we should not ban township and town enterprises from investing but if their investment grows too fast, this will be detrimental to the stability of the general price level. On the one hand, the excessively rapid growth of township and town enterprises' investment can widen the disparity of prices under a dual track system and generate a rise in the general price level and

on the other, it can greatly boost the general consumption level of township and town enterprises' laborers. At present, as it is difficult to correspondingly raise labor productivity in agriculture, this will inevitably push up farm produce prices. It will thus lead to a rise in the general price level.

The second is to put the growth of consumption funds under strict control. There are two main reasons behind the excessively rapid growth of consumption funds over the last few years: One is that enterprises indiscriminately issued allowances in cash or in kind and consequently, the growth of their per-capita income surpassed that of their labor productivity. The other is that society's group purchasing power increased too rapidly. In 1986 society group purchases were worth 46.2 billion yuan and between January and October of 1987, they increased by 20.2 percent over the previous year. Therefore, whether or not the excessively rapid expansion of enterprises' income distribution and the growth of society's institutional consumption can be put under control is the key to controlling inflated consumption funds.

The third is to rationalize the structure of production and strive to raise labor productivity so as to expand supply. At present the main factor restricting expansion of supply is that a few important materials and goods are in short supply and enterprises' economic results are generally poor. Therefore, the main tasks of expanding supply are to formulate a rational industrial policy as quickly as possible, to boost the production of scarce resources, and to lift the restrictions on supply with regard to those resources. At the same time, it is necessary to change enterprises' internal operation mechanisms, to strengthen their internal dynamic force and outside pressure to improve labor productivity, and to strive to raise society's labor productivity so as to further expand supply.

The fourth and last countermeasure is to give wider publicity to and strengthen supervision of prices. Efforts should be made to conduct extensive publicity work in prices and to increase society's capacity to withstand the strain of price hikes and to explain clearly to the people all over the country that in the course of reform, certain price rises are inevitable. The stability of prices is relative rather than absolute. At the same time, phenomena, such as forcing prices up artificially, reselling at a profit, and pushing prices up indiscriminately or in disguised form, should be subject to broad social supervision.

Consumer Associations Appearing Nationwide
OW191043 Beijing XINHUA in English 1533 GMT
18 Mar 88

[Text] Hangzhou, March 18 (XINHUA)—Consumers' associations which provide a bridge between customers and manufacturers have sprung up all over China.

They are now found in two-thirds of China's provinces.

Zhejiang Province in east China is one of the leaders in the field. It has established 703 associations above county level.

Last year Zhejiang offices received 3,467 letters of which 80 percent were solved satisfactorily, association officials say.

One dealt with a disabled man, Feng Jutao, who complained the reverse gear had broken on a new electric wheelchair he'd bought in Shanghai. When he sought to have it repaired the shop said it was out of the spare part he needed.

So Feng wrote to the provincial consumers' association for help. Soon after he got a letter of apology from the shop and two spare reverse gears.

Other complaints have dealt with the quality of such products as leather shoes, canned fruit and beverages.

The results are published in local newspapers.

The association also serves to help enterprises.

When consumers in Zhejiang province started complaining about the poor quality of local refrigerators, the association invited refrigerator producers and consumers together for a discussion on the problems. Both sides wound up satisfied.

RENMIN RIBAO on Protection

OW191413 Beijing XINHUA in English 1044 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA)—China's Consumer Association is becoming more active in protecting consumers' rights, reporting buyers' opinions and demands, guiding patterns of consumption, and promoting the healthy development of the country's market economy.

Last year, the association handled more than 11,800 written complaints and talked with 1,440 walk-ins, today's overseas edition of the "PEOPLE'S DAILY" reported, adding more than 80 percent of these cases were solved.

Since its founding in 1984, the association has opened branches in two-thirds of the country's provinces, in one-third of the prefectures and cities, and in one-fifth of the counties.

According to incomplete statistics from 19 provinces and municipalities, last year, local offices handled 48,000 cases, which involved more than 16 million yuan (4.3 million U.S. dollars).

In 1987, the association's branches checked food labels in 13 cities and medicine labels in 10 cities, and offered suggestions to local authorities on how to make better use of labels and stop the sales of obsolete and expired medicines.

The association also made investigations on fake products, random price increases, wedding expenses prices and false advertising, the paper said.

The State Council is now working out regulations to protect consumers' rights, while Fujian and Hubei Provinces and some cities have already enacted this type of regulations.

RENMIN RIBAO Cites Increased Savings Deposits

OW190812 Beijing XINHUA in English 0754 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA)—Savings deposits have increased rapidly in the country and may play a positive role in the country's economic growth, today's PEOPLE'S DAILY reported.

The increase of the deposits has surpassed that of dwellers' income and consumption funds, the paper said.

The conclusion came from a survey conducted by the Chinese Academy of Social Sciences among 10,459 urban and rural households in 29 provinces, municipalities and provinces, the paper reported.

When asked whether they put money in banks because of inadequate supply on the market, about 64.2 of the urban households and 88.5 percent of the rural gave a negative answer.

However, the paper also admitted that still some citizens, mainly city high-income dwellers say they have to deposit their money for shortage of high-quality durables on the market.

Of all the questioned, 22 percent said that they save money for the future consumption on high-quality and durable consumer goods, 31.1 percent answered that their savings are for better support of their families and 31 percent said they put money aside for the coming wedding or mourning ceremonies, the paper said.

Yet quite a number of the rural households said that they save the money for production expenses and improvement of living conditions.

With the deepening reform of the economic structure, savings deposits may lead to the accumulation of productions funds and have a positive impact on the development of [the] national economy.

Economy Forecast To Grow 'Relatively Fast'

HK190212 Beijing CHINA DAILY in English
19 Mar 88 p 1

[By staff reporter Wang Dongtai]

[Text] An official forecast of the nation's economic development indicates that in the first three months of this year, the economy will have continued to grow at a relatively fast rate, especially in industrial production, said Wu Minglu, a researcher at the National Research Centre for the Development of Science and Technology.

The nation's income will increase over last year but it will be difficult to keep prices stable, Wu said.

During the first three months of this year, gross industrial production is expected to have reached 263 billion yuan, an increase of 16 per cent over the same period last year.

This includes light industrial production value, expected to reach 136 billion yuan, an increase of 17.8 percent, and heavy industry, 127 billion yuan, an increase of 14.2 percent.

The outputs of iron, steel, rolled steel and cement are expected to be, respectively, 14.2 million, 14.8 million, 11.9 million and 42.5 million tons, increases of 9.4 percent, 10.1 percent, 13.5 percent and 16.2 percent.

It is anticipated that 206.8 million tons of standard coal will have been produced, an increase of 3.5 percent over the same period last year.

Outputs of raw coal, crude oil and electricity should reach 207.6 million tons, 34.2 million tons and 129 billion kilowatt hours, respectively, increases of 4 percent, 4.9 percent and 12.6 percent.

The country's railway system will have been able to transport 353 million tons of goods, 9.3 percent more than last year.

As for the market, retail sales are expected to reach 158.2 billion yuan, an increase of 14.5 percent over the first three months of last year. Consumer goods should reach 141.4 billion yuan, an increase of 15 percent over last year.

About 128 billion yuan of consumer goods will have been sold to individuals, and 13.4 billion yuan to various institutions.

Wu said that purchasing of consumer goods by institutions would be controlled, and the increase would be less than last year.

Retail sales of agricultural production materials would increase slowly, he said, to a predicted 16.7 billion yuan, an increase of 10.1 percent over the same period last year.

Rising prices may be difficult to control and he predicted that in the first three months, retail prices would increase 8.5 percent over the same period last year.

Prices for consumer goods are expected to increase by 8.6 percent and cost of living expenses would increase by 8.7 percent.

Wu said that according to statistics from 32 big and medium-sized cities, prices for living expenses in February increased by more than 10 percent over the same period last year.

Retail prices for food will have risen by more than 15 percent compared with the same period last year.

Coastal Economic Development Strategy Outlined

HK210344 Beijing RENMIN RIBAO in Chinese
11 Mar 88 p 5

[Report by Wu Dongyan (0702 2639 1750) and Mu Xinting (3664 2450 5312): "A Discussion on Strategies for Economic Development in Coastal Areas"—passages in boldface as published]

[Text] Recently, the general office of the magazine ZHONGGUO QINGGONGYE JINGJI [CHINA LIGHT INDUSTRIAL ECONOMY] and the general office of the magazine GUOJI MAOYI [INTERNATIONAL TRADE] held a joint symposium in Beijing on strategies for economic development in coastal areas. At the symposium, the experts and scholars held heated discussions on the strategies for economic development in the coastal areas and expressed their views on the following questions:

The question of stressing the development of labor-intensive industries. How can we understand the labor-intensive industries? Some comrades believe that it is wrong to view labor-intensive industries as a type of heavy-manual-labor industry. Instead, it is necessary to integrate the traditional labor-intensive industries with the advanced modern science and technologies so as to form a new type of labor-intensive industry. Only by integrating the advantage of "cheap labor" with the development of science and technologies will it be possible to turn the potential advantage into realistic advantage. Some comrades believed that it is true that cheap labor is our advantage. However, low efficiency can offset this advantage. Therefore, it is necessary to integrate the coastal areas' "cheap and quality labor" with the increase in economic results and foreign exchange earnings in the coastal areas so as to formulate an optimum plan aimed at increasing the production output by making the minimum amount of investment, reducing production costs, increasing the product variety, improving

the product quality, and raising the competitiveness of the labor-intensive industry on the international market. Some comrades pointed out: It is necessary to adopt an overall and developing view towards the labor-intensive industry. As far as the present situation is concerned, we should "stress the development of the labor-intensive industry" throughout the country. However, we should not only fix our eyes on this type of industry but should attach equal importance to the development all types of industries which are export-oriented and can help to create foreign exchange. We should also see that the nonlabor-intensive industries can also produce some labor-intensive products as well as labor-intensive components and parts and can be equipped with some labor-intensive technologies. We should also pay attention to developing this type of advantage. On the other hand, in the process of developing the labor-intensive industry, we should not only attach great importance to the present economic development—we should also attach great importance to the future economic development and should try in every way to create conditions for the development of the knowledge-intensive and technology-intensive industries in the coastal areas.

The question of grasping the good opportunity now. All the participants to the symposium believed that it is necessary to grasp the good opportunity now. We should miss no more good opportunities. However, people still differ in their understanding of the question of grasping good opportunities. Some people think that while implementing the strategies for economic development in the coastal areas, we must do things in a planned and guided way step by step and we should not carry out the economic development in the coastal areas in a blind way. Other people think: Now, it is the most opportune moment to carry out the economic development in the coastal areas. So, we must grasp this opportunity without delay and should not do things according to the conventions. If we waited for the whole country, the whole province, and the whole region to have their overall economic development plans formulated, most probably, the good opportunity would slip away. Therefore, in certain areas which have the necessary conditions and experiences, such as the Zhijiang Delta, the triangular region in southern Fujian, and some other areas, we should immediately and greatly carry out the economic development. There are also some people who think: It is necessary to integrate the unified economic development plan with the immediate and whole-scale economic development. On the one hand, we should allow the coastal areas to carry out their economic development in the light of their own conditions; on the other hand, we should immediately formulate unified economic development plans, make unified arrangements, implement unified policies, formulate correct guiding principles, pay close attention to, study, and solve the contradictions and problems that emerge in the process of the economic development.

The question of "importing more materials and exporting more products." Some comrades think: "importing more materials" and "exporting more products" are two

aspects of one principle. Therefore, efforts must be made to do a good job in both importing more materials" and "exporting more products." It is necessary to sum up the experiences we have gained over the past many years so as to prevent both the situation of "importing more materials and exporting fewer goods" and the situation of "importing more materials and exporting no products" from taking place. It is necessary to formulate a series of strict policies and laws governing the export of the products processed with imported materials. It is also necessary to guarantee the correct implementation of such a principle. Some comrades think that in order to practically implement the principle of "importing more materials and exporting more products," it is necessary to integrate the export orientation with the import substitutes. It is necessary for us to adopt a long-term point of view and try to produce at home the raw and processed materials, components, and parts which are needed by our processing and assembly industries but are currently imported from abroad. Therefore, while developing the labor-intensive industries, we must also pay attention to the development of such industries that are capable of producing certain raw and processed materials, components, and parts, especially the production of steel sheets, the production of plastic resin, and the production of electronic components, so that we will be able to lay a solid foundation for the future expansion of our export. There are also some comrades who think: To develop the economy of the coastal areas does not mean to develop the economy of the coastal areas only by relying on the resources of the coastal areas. Therefore, the coastal areas should not only make use of their own technological conditions and equipment but should also make use of the resources of the hinterland. The coastal areas should not import the raw and processed materials which can be supplied by the hinterland. The interior areas that are rich in resources should become a good "setter" [as in a volleyball match] and should form economic associations with the coastal areas and should coordinate with the coastal areas to jointly carry out the economic development. Some comrades even pointed out that while implementing the principle of "importing more materials and exporting more products," we should also carry out the study on the fluctuation of prices on the international market so that we will be able to import materials and export products at a proper time and greatly increase the economic results.

Besides, some comrades also believed that it is necessary to carry out the analysis of the coastal areas and carry out the economic development of the coastal areas in different ways in the light of the different situations of the coastal areas. For example, in order to develop "three forms of import processing and compensation trade," we should mainly make great efforts to develop the advantages of Guangdong Province, Fujian Province, and some other regions our country and should not develop "three forms of import processing and compensation trade" in a blind way.

Li Tieying on Reform in Coastal Development
*OW201627 Beijing XINHUA in English 1112 GMT
20 Mar 88*

["Reform: Key to Coastal Economic Development"—
XINHUA headline]

[Text] Beijing, March 20 (XINHUA) — The strategy for coastal economic development does not only mean these areas will be more open, but also means they should carry out more extensive and crucial reforms, a Chinese official said.

Speaking at a meeting on reforms in coastal areas which ended yesterday, Li Tieying, minister in charge of the State Commission for Restructuring the Economy, described it as the key to the success or failure of the strategy, according to a PEOPLE'S DAILY report today.

He said that a major target of the strategy is to develop an export-oriented economy, which is "both a good and very difficult" task.

China is now in a period when the new system of commodity economy and the old system of product economy coexist, and effective measures should be taken to transform the old into the new. A prolonged coexistence will delay China's economic development as a whole, he said.

The crucial reforms he referred to include the price reform, macroeconomic control, and the separation between the ownership of enterprises and their management.

On the unbalanced development in different areas, he said that reforms in coastal areas will help promote the shift from the old to the new nationwide. That is to say, the strategy will bring about national and long-term changes rather than local and short-term changes, he explained.

He called on departments for restructuring economy in coastal areas to take even bolder measures.

Plans Started for Coastal Transport Network
*HK190240 Beijing CHINA DAILY in English
19 Mar 88 p 2*

[Text] China is now embarking on an ambitious plan to develop a complex coastal transport network as part of its radical new policy of turning the coast into a giant zone of export-oriented economy.

The network will centre around the main ports which will be linked by road, rail and inland waterways, officials from the Ministry of Communications said.

The plan calls for the establishment of a foreign trade transport system for ocean-going ships and a domestic transport system linking coastal enterprises with the hinterland.

The idea is to make ports and port cities the hubs of fan-shaped transport systems to promote major imports and exports vital to the country's modernization drive in the coastal areas.

Ministry officials are urging existing ports to become multi-functional, being capable of processing and storage as well as loading and unloading.

The plan involves building 200 docks and berths during the Seventh Five-year Plan (1986-90) and by 1990 the country's port-handling capacity is expected to be 550 million tons. During the Eight Five-Year Plan (1991-95), China will further adjust the layout of its ports and open several new ones.

There will be a speed up in highway construction. Three expressways linking Shanghai with Nanjing, Xiamen with Guangzhou, and Hangzhou with Ningbo will be built by 1995. Three specialized port cargo highways will also be built at the same time between Shenzhen and Shantou, Lianyungang and Luoyang, and between Lianyungang and Xuzhou.

Expressways between Beijing and the port of Tanggu near Tianjin, and linking Guangzhou, Shenzhen and Shuhai are already under construction. Other new highways will include a ring road around Hainan Island, and Shenyang-Dalian, Qingdao-Yantai, Jinan-Qingdao, Fuzhou-Xiamen, and Nanning-Beihai.

Land-water transportation routes such as the Grand Canal, the Yangtze and Pearl Rivers would also be promoted, the officials said.

The ministry said China should expand its ocean-going fleet, especially container carriers, since sea transport was crucial to an export-oriented economy.

Gu Mu Inspects Daya Bay Power Station
*HK190401 Beijing ZHONGGUO XINWEN SHE
in Chinese 1209 GMT 18 Mar 88*

[Report by Zhan Mojun (6124 6202 0193)]

[Text] Shenzhen, 18 Mar (ZHONGGUO XINWEN SHE)—State Councillor Gu Mu pointed out during an inspection tour of the Daya Bay nuclear power station yesterday that in the course of building the station, efforts should be made to strengthen management, closely cooperate with foreign experts, meticulously organize construction work, ensure the quality and construction period of the projects, and to pay attention to training Chinese technological personnel in the nuclear industry.

On the construction site, Gu Mu listened to a report by Wang Quanguo, chairman of the board of the Guangdong Nuclear Power Joint Venture Company and inspected the nuclear islands' construction site as well as the breakwaters in the pier and along the beach. He expressed his congratulations on the smooth construction of the nuclear power station and wrote this inscription: "Strive to attain high technology, to exercise strict management, to work with superior quality, and to produce good results."

In the foreign experts' village of the nuclear power station, when Gu Mu learned that some 300 foreign engineers and technicians and Hong Kong personnel are involved in the construction of the nuclear power station, he at once inquired about their work and life and the cooperation between the Chinese and foreign sides. He pointed out the necessity to further strengthen such cooperation, to learn from and absorb advanced foreign management and technology, to train Chinese managerial and technological personnel, and to accumulate experience and enhance abilities in the course of practice.

Private Enterprises Encouraged To Compete
OW191027 Beijing XINHUA in English 1604 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA)—China encourages private enterprise to compete equally with state- and collective-owned businesses under the supervision of the industrial and commercial administrations.

Liu Minxue, deputy head of the State Administration for Industry and Commerce, made this remark at a week-long conference which closed here today.

At the meeting officials from local administrations for industry and commerce all over the country discussed drafts of regulations concerning the control of private enterprises and the registering of enterprises.

The drafts will now go to the National People's Congress Standing Committee.

According to the regulations, any business which is privately owned and hires eight or more workers will be treated as a private enterprise.

The development of private enterprises will spur state and collective enterprises to reform, said an official from a north China province.

Participants to the meeting were attracted by an item in the private enterprise regulation which says a private business has the right to refuse irrational taxes or collections.

They also had discussions over measures against illegal sales, fake commodities, false advertisements and other illegal economic activities.

Statistics show that last year there were nearly 1.18 million economic crimes.

Worker Initiative Stressed in Managerial Work
OW190758 Beijing XINHUA in English 0843 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA)—Socialist enterprises in China need centralized managerial authority based on workers' initiative, according to economist Jiang Yiwei.

In an article in today's WORKERS' DAILY, he said the laboring collective in a Chinese enterprise is the principal part of the enterprise.

"An enterprise is a legal person, while the group is the main body of the legal person," he said.

The group elects or hires the manager as the representative of the legal person, and he is held responsible to the state and society on behalf of the group.

Every worker should assume responsibility for the performance in production and operation of his or her enterprise.

He described such a group embodying workers' initiative as the "basis for running socialist enterprises".

He added, "to coordinate production and seek common interests, workers need outstanding entrepreneurs to display their own wisdom and will, and a centralized managerial authority."

According to Jiang, the manager of this authority should not set himself against the laboring group, but should rely on and be supported by it.

Managerial methods vary from enterprise to enterprise, so do the status and roles of the laboring groups, he said.

In railway, posts, telecommunications and military enterprises, their managers will be appointed by the state and will exercise managerial authority on its behalf.

The groups can exercise their democratic management only by participating in management and supervising managers, he noted.

Some smaller enterprises can be contracted or leased to individuals for management, who are held responsible to the state.

The state should grant managerial authority to the groups. And the groups should hire through advertising managers, who are held responsible to the state on behalf of all the workers.

These enterprises should institute the director responsibility system—under which directors take full charge of production and operation—on the basis of workers' democratic management.

He called for giving top priority to stimulating workers' initiative and creativeness in carrying out reform measures in enterprises.

Article on Leasing Commercial Enterprises
HK181556 Beijing RENMIN RIBAO in Chinese
7 Mar 88 p 5

[Article by Wan Dianwu (8001 0368 2976): "Two Opinions on Leasing of State-Run Commercial Enterprises"]

[Text] The leasing of state-run commercial enterprises in China is different from the traditional way of leasing. Regarding its social attributes, the nature of this kind of leasing is a form of separation of the two powers in the small-scale socialist state-run enterprise without changing its nature of ownership. Compared with the contract system and other forms of separation of the two powers, its characteristic is that the owner of the socialist state-run commercial enterprise takes receiving the rent and mortgage fund of the lessee as the main condition for transfer of the management power with compensation. What the state transfers is the management power of the commercial enterprise, including the right to use the property, the power for personnel transfer, the power for adjusting the organizational structure within the enterprise, and the power for distributing income. The lessee is entitled to make arrangements for the operation of the enterprise by means of these major management methods. The following are some characteristics of this leasing:

1. There will be some changes in this system along with the development of operation, though the ownership will not be changed. After the state-run commercial enterprise is leased, the lessee is allowed to invest in the enterprise, and the enterprise can also withdraw the publicly accumulated funds. After a certain period, there may be more assets added to the enterprise than its original assets. Then, some changes may take place in the composition of its ownership. This is different from other forms of leasing.

2. The principle of distribution will basically remain the same, but there may also be some changes. In the leased enterprise, the main form of distribution will continue to be distribution according to work. This is a basic form. However, the income of the lessee will not only include the income from labor but will also include the income from nonlabor businesses, and the latter may possibly be greater than the former. At the same time, the worker's income will also increase with the increase in economic returns. In addition, the lessee may also make use of his income to make "affectional investment" in order to encourage the workers and to carry out other forms of

redistribution. These changes are acceptable according to the current policies, and if they are well used, they will help enliven the enterprise and mobilize workers' initiative.

3. The management and operation systems of the enterprise will basically remain unchanged, but there will be some changes. The basic systems concerning the range of business and the management and operation of the enterprise will not be changed. For example, those engaging in nonstaple food business will continue to engage in this business. However, with the expansion of the decisionmaking power of the enterprise and the changes in the market demand, the enterprise can increase their variety of products and services and increase their quality of service. This change is a result of continuously improving management and a demand of the leasing policy and contract. It is also good for society. However, there may also be some bad changes, such as engaging in illegal trade. For this reason, it is necessary to offer correct guidance and strengthen management over this matter.

What commercial enterprises and trades are most suitable for adopting the system of leasing of state-run commercial enterprises? Judging from the developments since 1984 when leasing was first adopted by the commercial enterprises on a trial basis, this system is most suitable for small-sized, small-profit and losing enterprises as well as those in remote areas and suitable for nonstaple food, food and drink, and service trades. Up to June 1987, there were a total of 27,000 leased commercial enterprises in our country, most of which were within this range. Since 1987, the leasing system has also been adopted on a trial basis by some medium-size commercial enterprises in some places, and some people in the theoretical circles have also advocated extending the range of leasing. In my opinion, the leasing of state-run commercial enterprises is mainly suitable for small retail, food and drink, and service enterprises, not including state-run wholesale enterprises and large and medium-sized retail enterprises. The main reasons are as follows:

1. The position and role of the enterprises are different. The state-run wholesale enterprises play a pivotal role in commodity circulation. Wholesaling is the first link of commodity circulation and plays the roles of selecting, packing, allotting, and regulating for the retail enterprises. It occupies a decisive position and should be controlled by the state economy. Therefore, it is not suitable for the state-run wholesale enterprises, including small-sized wholesale enterprises, to adopt the leasing system. The state-run large and medium retail enterprises play an important role in stabilizing the market and stabilizing commodity prices. It is not suitable for them to adopt the leasing system either.

2. Benefits and risks should be balanced. Under current conditions, an individual or a collective lessee can only provide a mortgage fund of several thousand yuan or

tens of thousands yuan. But the profits and losses and the risks for wholesale enterprises and large and medium retail enterprises can easily reach several hundred thousand or several million yuan. The larger the enterprise is, the more unbalanced its benefits and risks are. Moreover, since most of the existing wholesale enterprises and large and medium retail enterprises are profit-making enterprises, by adopting the leasing system, the lessee can easily get a high income. Thus, it is difficult for us to attain the goal of encouraging the lessee to improve management and operation by means of the risk mechanism and through leasing.

3. If the income of the lessee is too high, both the workers and society will find it hard to bear. The income of a small enterprise lessee is quite limited, which is acceptable to the workers and the society. The workers themselves can also increase their income through leasing. Therefore, it is conducive to mobilizing their initiative. Conversely, since a wholesale enterprise or a large or medium-sized retail enterprise can earn hundreds of thousands to several million yuan of profits a year, if it is leased to a certain individual, the lessee can easily earn some tens of thousands to hundreds of thousands of yuan a year from nonlabor business. The society will find it difficult to accept this and the workers' initiative will also be dampened due to the great discrepancy in income. Even if the enterprise is leased by the workers collectively, since the workers will have an additional income of tens of thousands to hundreds of thousands of yuan a year, the consumption fund will thus be expanded, which is not conducive to rational distribution in society. It is also unfair for the large and medium enterprises.

The limitations of the leasing of state-run commercial enterprises are also reflected by certain characteristics, or defects, of the leasing system itself. For example, on the question of relations between the lessee and the workers, in theory, since the nature of ownership is unchanged, the workers' position as masters of the enterprise and the comradely relationship between the lessee and the workers are also unchanged. But the reality is more complicated and there are greater contradictions between them. Moreover, the time limit for leasing can easily encourage the lessee to take only some short-term measures and take the immediate interests into consideration to the neglect of the long-term interests of the enterprise. The leaders and managers of the enterprise will also be changed following the change of the lessee. They cannot be kept relatively stable. If there are too many leased enterprises, which enjoy the state's preferential policies on leasing business, the state's finance will also find it difficult to bear. Therefore, we must realize that the leasing system is suitable for small commercial enterprises if we want to make full use of the benefit mechanism to encourage the lessee to improve enterprise management and operation and increase economic returns; at the same time, we must also make a clear-headed appraisal of its limitations and must not implement it blindly and indiscriminately, disregarding the objective conditions.

State Council Approves Guangdong Reform Plan
HK181523 Hong Kong WEN WEI PO in Chinese
9 Mar 88 p 2

["Special dispatch from Guangzhou": "Guangdong 10-point Plan for Reform Is Approved by the State Council"]

[Text] It is learned that after Guangdong Province was designated as a region to conduct experimental reform in advance, it submitted a 10-point plan to the State Council in the hope of deepening reform, opening up extensively, and accelerating economic development. The State Council recently sent an official communication approving this 10-point plan. The 10-point plan submitted to the State Council by Guangdong Province includes the following 10 spheres: Finance; foreign economic relations and trade; prices; labor personnel and wages; financial enterprises; rural areas; science, technology, and education; real estate; planning; and political reform.

According to the limits of authority approved by the State Council, Guangdong will begin expanding its foreign exchange market as well as the utilization of foreign capital. It will organize and establish the Guangdong development bank, relaxing the power to examine and approve items in which foreign capital is utilized (overall balance is needed in an item in which less than \$30 million is utilized; where no overall balance is needed, the items are not limited by their scale). Guangdong will expand the power to import and export, reduce the number of mandatory plans, and further expand the scope of market regulation. It will also begin opening the labor service market, keeping ties between the gross payroll and economic results, implementing the system of housing commercialization and the use of state-owned land with compensation. Guangdong will take the lead in tentatively implementing the system of the state public servants and the system of administrative litigation; it will streamline the government organs and change their functions, reducing the number of their levels, and delegating powers to the lower levels.

It is known that the State Council has consented to the larger part of the plan proposed by Guangdong and made a number of revisions. Regarding some demands enumerated by Guangdong, the State Council hoped that it could gradually give it assistance.

In addition, it is learned that the report on the establishment within the province of banks run with foreign capital submitted earlier to the State Council by Guangdong is now under discussion.

Management of Mineral Resources Improved
OW191347 Beijing XINHUA in English 1223 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA) — The development and management of China's mineral resources have reached an orderly stage since a law on mineral resources was promulgated in 1986, a Chinese official said today.

Fang Zhangshun, vice-minister of geology and mineral resources, told a press conference here that the State Council issued four provisions on supervision and administration of mineral resources last year.

A total of 25 provinces, municipalities and autonomous regions published regulations on mining administration in 1987, he said.

According to statistics, management committees for mineral resources have been established in 19 provinces and autonomous regions, and 1,274 management organizations have been set up at prefecture and county levels.

Fang said, "since 1986, my ministry has received 5,134 applications for geological exploration and granted licences to 3,699 of them."

The ministry also granted mining licences to 600 state-owned mines, as well as to more than 12,000 collectively- and individually owned mines last year.

He said, "we consolidated the rural mining industry all over the country last year, and closed down 1,089 illegal mineral mines in the Guangxi Zhuang Autonomous Region and some 1,000 small coal mines in Hunan, which had failed to meet relevant state regulations."

Experts Discuss Prospects for Agriculture
OW200512 Beijing XINHUA in English 1231 GMT
19 Mar 88

[Text] Beijing, March 19 (XINHUA)—China can realize its set goal of increasing its annual grain output to five million tons by the end of the century, though problems such as dwindling farmland and excessive population growth do exist, according to China's senior agricultural experts.

However, whether the government can take timely measures to reform the agricultural sector, especial the irrational price system, will be a decisive factor in success or failure, all of them agreed.

In an interview with XINHUA today, the experts expressed the view that since there has been slowdown in agricultural development in recent years, the government should renew its agricultural policies.

A remarkable change since the introduction of the responsibility system in rural areas in 1979 is that farmers have a larger say in deciding what to grow and what not, according to the market, said Chen Xiwen, deputy director of the China Agricultural Economic Policy Research Institute.

As a result, Chen said, they are likely to turn to the more profitable operations, such as growing of fruit and development of aquatic produce, of which the prices have been liberalized, while turning away from the production of grain, cotton and sugar, the prices of which are still under strict state control.

This shows that Chinese farmers are now resorting to the law of value in operation. It is a great challenge to the existing state purchase and sales system, many of them pointed out.

After the bumper grain harvest in 1984, some policy makers became over-optimistic and decided to lower the purchase price for the grain that farmers handed over to the state outside the state purchase plan. This wrong policy option dampened the enthusiasm of farmers and led to a drop in grain output for three successive years, the experts recalled.

According to Lu Liangshu, president of the China Agriculture Society, more investment in agriculture is urgently needed.

In the five years before 1984, the grain output grew at an annual rate of five percent, hitting record highs. The state investment, however, decreased year by year. Moreover, the present agricultural investment only accounts for 3.4 percent of the state budget, the lowest since 1949, Lu noted.

As a result, many areas do not have sufficient funds for repairing broken water conservancy facilities, thus suffering from a dwindling of machine-irrigated land and soil erosion, he said.

"The government should take action to increase investment in agriculture, and at the same time take measures to popularize agro-science and technology," he urged.

Policies should also be made to encourage farmers to invest more in their land, the experts suggested.

If farmers can put 10 percent of their cash into farming, there will be 20 billion more yuan available for agricultural development, far exceeding the state investment, they said.

Measures should also be taken to turn waste land into farm land, they agreed.

According to Chen Xiwen, there are about six million hectares of reclaimable waste land in the northeast, the northwest, and the east. Besides, there are also tracts of saline-alkali soil and arid land, which, if transformed, can produce over 50,000 tons of grain.

Chen Jiyuan, an expert from the Chinese Academy of Agricultural Sciences, suggested that more flexible policies on land management need to be drawn up.

Farmers should be assured that they will have a say in land operation in the long run. Only then, Chen said, will they be willing to increase investment and farming scale.

State Acts to Reclaim Illegal Coal Pits
HK190220 Beijing CHINA DAILY in English
19 Mar 88 p 1

[By Staff reporter Guo Zhongshi]

[Text] An immediate nationwide clearance is now under way to reclaim all the small pits that have encroached into State-owned mines.

A circular issued by the State Council recently called for urgent action against indiscriminately mined coal pits by collectives and individuals which have tarnished the country's coal resources and endangered safe production at State mines, causing serious accidents.

All the the small pits which have extended their mining activities into State-owned coal fields without going through necessary procedures are to be filled and levelled up, and the circular urges this action to be completed within the year.

Owners of the mines to be sealed will not be entitled to any economic compensation, said the circular.

The circular said that the thriving coal industry has helped ease the shortage of coal and brought prosperity to mining regions.

As the burgeoning township coal mines have shown the potential of the country's rich coal resources and tapped surplus agricultural labour, further development of collective and private mining should be continued and encouraged.

However, the circular pointed out, some regions and departments have failed to provide comprehensive plans, correct guidance and stricter management of local mines, thus causing problems.

Many township coal mines have fought for resources, chosen mining sites indiscriminately and avoided going through the required approval procedures. They have disregarded the damage to resources and the dangers of production, the circular said.

The worse thing, the circular said, has been that many small pits had been illegally dug into State mines and damaged pit safety props. They pose a serious hazard to safe production in State mines.

Modernization of Coal Mining Emphasized
HK190238 Beijing CHINA DAILY in English
19 Mar 88 p 2

[Text] China should tackle problems in the fields of deepmining, transport and pollution to modernize its coal industry and meet increasing demands for coal, said an article in BEIJING SCIENCE AND TECHNOLOGY NEWS.

At its present annual growth rate, China will need 1.4 billion tons of coal a year by the year 2000, 2.9 billion tons by 2030 and 4 billion tons by 2050.

To meet the increasing demand, China has to rely more on deep mining, the paper said.

Only 25 percent of China's coal mines are using mechanization, an effective means to save manpower in deep mines now widely used in developed countries, the paper said.

And the use of computers in coal mining is now confined to laboratories in China.

Many mines in the country figure their output not on their production capabilities but the transport facilities at their disposal. Many coal mines have had to stockpile large quantities of coal.

The article suggested more coal be used by factories situated near the mine to reduce the amount which needs to be transported.

Direct rail transport should be provided, especially for coal. Railways now handle 54 per cent of the total coal transport.

Seventy-Two Cities Move Toward Self-Help Reform
OW190038 Beijing XINHUA in English 1317 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA)—The 72 cities chosen to try all-round reforms are moving away from grants, tax cuts to reforms of a self-help nature within enterprises.

According to the coming issue of the English language "BEIJING REVIEW" weekly, the majority of larger state-owned enterprises in these cities are practising responsibility systems, and about half smaller ones have been contracted or leased to collectives or individuals.

An element of competition was introduced into the granting of contracts and this has motivated the employees and promoted production, the English weekly says.

Last year, the aggregate industrial output value of these cities increased by 17.2 percent, higher than the national average, it says.

While making efforts to improve the consumer goods market, these cities have also established markets in capital goods, funds, technology and labor.

The city of Guangzhou now has 844 financial institutions including 183 established last year. In 1987, they handled accounts worth a total of over 7.5 billion yuan, and issued over 1.6 billion yuan in enterprise debentures and financial bonds.

66 of these cities have extended their jurisdiction over the surrounding counties, allowing for greater integration. The urban industrial enterprises have vied with one another to cooperate township enterprises and transfer technology and production to them, promoting the common prosperity of the cities and the rural areas, the journal says.

Last year, these cities' total industrial and agricultural output value increased by 15.4 percent, exceeding the national average of 13.3 percent.

The cities have broken administrative barriers, and encouraged trans-departmental and trans-regional co-operation. Thus, a large number of enterprise consortia have emerged. The Qingdao soft drinks factory, which produces the well-known Laoshan Cola, has entered into co-operation with 82 factories throughout the country, forming a beverage enterprise group that has an annual production of 250,000 tons, 13 times that of the factory's original output.

Another important aspect of the reform is to apply research results more quickly and completely to production.

These cities' reforms are an inspiration to the whole country, and their experience will be used to guide and promote the economic reforms in other cities, the weekly says.

East Region

Anhui Outlines Major Tasks for 1988

OW191209 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 3 Mar 88

[Excerpts] The provincial people's government held a news briefing yesterday to announce 18 priority tasks for 1988 tentatively adopted by the provincial people's government.

The 18 priority tasks are:

1. Study, formulate, and implement a policy for opening up the river cities and counties to the outside world. Develop a number of enterprises specializing in processing imported raw materials and in compensation trade. This policy will also be implemented in Hefei and Bengbu Cities.
2. Intensify reform of the foreign trade system. [passage omitted]
3. Introduce support measures to improve and implement the managerial responsibility system among enterprises. [passage omitted]
4. Accelerate the development of agriculture, with stress on grain and aquatic products. [passage omitted]
5. Strengthen the construction of farmland water projects.
6. Vigorously promote rural enterprises and ensure the total output of these enterprises will grow by at least 30 percent.
7. Increase efforts to help the old revolutionary base areas, [words indistinct] and other poverty-stricken areas get rid of poverty. [passage omitted]
8. Stabilize market prices, organize well the supply of agricultural means of production. [passage omitted]
9. Study and formulate plans for reforming the financial system.
10. Carry out reforms among pilot institutions with a view to making them operate as independent enterprises. [passage omitted]
11. Do a good job in [word indistinct] of capital construction. [passage omitted]
12. Pay close attention to production safety and strive to reduce significantly the number of major accidents from the 1987 level.
13. Speed up the reform of the banking system.

14. Promote scientific and technological progress. [passage omitted]

15. Speed up and intensify educational reforms. [passage omitted]

16. Pay close attention to family planning work and ensure that this year's population growth rate will be kept under 12.6 percent. [figure as heard].

17. Further improve public order in society.

18. Organize personnel to carry out research and investigation and make preparations for reform of the political structure.

These 18 tasks are under study by the relevant departments of the provincial people's government. A decision will soon be made to implement them.

Fujian's Wang Zhaoguo Meets Mexican Ambassador

OW191149 Fuzhou FUJIAN RIBAO in Chinese
8 Mar 88 p 1

[Text] Governor Wang Zhaoguo recieved Mexican Ambassador to China Fausto Zapata and his wife yesterday.

Ambassador Fausto said that he had wanted to visit Fujian for a long time to further promote economic and business ties between Fujian and his country. Wang Zhaoguo briefed the guests on the present situation of Fujian's implementation of "special policy and flexible measures." He welcomed Mexican industrial and business sectors to invest, build factories in, and do business with Fujian. Present at the meeting were Huang Changxi, vice chairman of the provincial People's Congress, and other responsible comrades from the provincial Foreign Trade Office and the provincial Economic Commission.

Jiangsu Leaders Meet Local Cultural People

OW191217 Jiangsu XINHUA RIBAO in Chinese
3 Mar 88 p 1

[Excerpts] On the eve of the lantern festival, cheerful laughter was heard at the conference hall of the provincial party committee office building. Provincial party committee and government leaders were having a meeting here with some 80 intellectuals from Jiangsu's publication, theoretical, art, and literary circles, to discuss how to accelerate Jiangsu's reform, promote authentic Jiangsu culture, and make joint contributions to Jiangsu's economic development.

Among the participants of the meeting, some were silver-haired senior cadres; many young and middle aged intellectuals were also present. Han Peixin, Gu Xiulian, Sun Han, Sun Jiazheng and Hu Fuming were casually sitting among them, drinking tea and warmly talking to them.

Director of the provincial Academy of Social Sciences Xue Jiapi spoke first. He suggested that the provincial party committee and the provincial government set up a think tank to systematize leadership decisionmaking. He also suggested that, in the course of the decisionmaking process, it is necessary to listen to various opinions. His suggestion received an immediate response. Comrade Gu Xiulian said: "The question of setting up a think tank is currently under consideration." Comrade Han Peixin said: "This is very important. The provincial party committee and the organization department of the provincial party committee are now thinking about organizing some retired cadres along with some younger ones as regular policy-making consultants in addition to original staff members. In addition, we are going to hold some small-scale seminars mainly to discuss issues concerning reform." [passage omitted]

Also speaking at the meeting were Chen Shaohui, Ye Ziming and Chen Liao. The meeting was held vividly. At the end of the meeting, Gu Xiulian and Han Peixin spoke respectively. [passage omitted] Comrade Han Peixin called on all the participants to firmly adhere to the basic line of the party stipulated at the 13th congress, speed up reform in the press and publication, theoretical, art, and literary circles. Workers of these circles should integrate theory with practice, going further to reality and life. They should also carry out the policy of letting a hundred flowers blossom and a hundred schools of thought contend to further promote Jiangsu's cultural enterprise, thus welcoming our 40th national founding anniversary with great achievements.

Also attending the meeting were Gu Yu, Xu Jingan, Zhu Tonghua, Wang Guanghui, Wang Xialin, Pu Chengzu, Pan Zhenzhou and Cai He.

Zhejiang Leaders Meeting Opens

OW181001 Hangzhou Zhejiang Provincial Service
in Mandarin 1000 GMT 12 Mar 88

[Excerpts] A provincial meeting of all city mayors, prefectural commissioners and county magistrates was opened today in Hangzhou. The main purpose of the meeting is to convey and implement the guidelines of the series of conferences convened recently by the State Council, study ways to deepen the reform of Zhejiang's foreign trade structure, further expand the scope of opening to the outside world and develop an export-oriented economy.

Vice Governor (Wang Donglu) gave a speech this afternoon. In his speech, Wang briefed all comrades on the guidelines of the conferences on foreign investment, of provincial governors, and on opening coastal areas to the outside world held recently by the State Council. He also gave a specific review of the State Council's regulations, on the basic goal and contents of foreign trade structure reform, on the policies for developing export-oriented

economy in the coastal areas, and on an appropriate expansion of the opening of the coastal economy to the outside world. [passage omitted]

In his speech, (Wang Donglu) issued a six-point call on behalf of the provincial people's government. He asked all localities and departments to act as quickly as possible to establish an authoritative organ, unify all foreign trade work, actively transfer functions and powers, improve service and work efficiency and energetically develop skills for export work in order to ensure the strategy decided by the party Central Committee and State Council for economic development in the coastal areas will be implemented

Safety Shell Fitted Over Nuclear Power Plant

OW190827 Beijing XINHUA in English 1909 GMT
18 Mar 88

[Text] Hangzhou, March 18 (XINHUA)—Workmen today began to hoist and install a steel dome safety shell at the Qingshan nuclear power station in Zhejiang Province, the first nuclear power station designed and built exclusively by Chinese.

An official said installation of equipment inside the powerhouse will begin next month after the safety shell is sealed.

Construction of the 300,000 kilowatt power station began in 1983. It is expected to be completed in 1989 and begin generating electricity in 1990.

The second stage construction of the station is included in the 1986-90 plan.

Two 600,000-kilowatt nuclear power stations are also being built during the period.

Central-South Region

Zhuhai Gears Operations to International Market

HK200457 Guangzhou Guangdong Provincial Service
in Mandarin 0400 GMT 20 Mar 88

[Text] The Zhuhai Special Economic Zone [SEZ] has seized the extremely favorable opportunity for economic development of the coastal regions presented by the international environment. It has vigorously set up enterprises geared to the international market. As a result, the SEZ's economic strength has continually increased and its capability for taking part in international exchange and competition is improving all the time.

By the end of last year, the zone had completed and put into operation some 480 industrial enterprises, an increase of 100 over the previous year. Over 200 industrial projects are under construction. The zone has also set up over 800 township and town enterprises and engaged in 2,700 projects of three forms of import

processing and compensation trade. Over 70 percent of the products of these enterprises can be exported or can replace imports. Many products have broken into the international, Hong Kong, and Macao markets.

Zhuhai Revised Construction Plan Approved

HK211033 Guangzhou Guangdong Provincial Service
in Mandarin 0400 GMT 21 Mar 88

[Text] The provincial people's government recently approved a general plan for urban construction in the Zhuhai Special Economic Zone [SEZ], to be fulfilled before the end of the century. According to the plan, by the year 2000, Zhuhai will be built into a multiple-business, export-oriented SEZ which puts the stress on industry and promotes overall development of tourism, commerce, trade, agriculture, and fishery. Zhuhai will also become a highly civilized, modern, garden-style, and seaside city by the year 2000.

We have learned that in the early 1980's Zhuhai formulated a general plan for urban construction. However, with the gradual deepening of reform and opening up, the original plan was far from meeting the needs of the quick development of the SEZ's export-oriented economy. Relevant departments of the SEZ then invited professional people to spend more than 1 year revising the original plan.

Guangxi Releases Economic Statistics for 1987

HK190543 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 18 Mar 88

[Excerpts] The regional Statistics Bureau recently released a communique on the region's economic and social development in 1987. The communique said that Guangxi's economy recorded overall coordinated development in 1987 amid reforms and opening up. Gross domestic product reached 24.22 billion yuan, an increase of 9.3 percent over 1986. National income was 20.85 billion yuan, an increase of 9.2 percent. Industrial and agricultural output value was 34.53 billion yuan, an increase of 13.4 percent. [passage omitted]

The region's industrial output value for the year was 20.74 billion yuan, an increase of 18.3 percent over 1986. Relatively rapid increases were recorded in output of energy, raw materials, and light and textile industry products with a ready market.

Agricultural output value for the year was 13.79 billion yuan, a rise of 4.9 percent over 1986. Grain output showed an increase of 920 million kg. Rural commodity economy has developed relatively fast. Output value of non-agricultural sectors in the rural areas rose by 16.1 percent over 1986. [passage omitted]

Investment growth in fixed assets slowed down. Investment completed in fixed assets in the urban and rural areas during the year was 6.32 billion yuan, an increase of 14.5 percent over 1986. This included 3.96 billion

yuan in units owned by the whole people, an increase of 30.3 percent. This figure included 1.77 billion yuan in capital construction, a decrease of 7.3 percent, and 2.04 billion yuan in updating and improvement, a rise of 88.9 percent. [passage omitted]

Total retail sales in society during the year were 13.66 billion yuan, an increase of 18.6 percent over 1986. After allowing for price increases, the rise in real terms was 9.8 percent. There were increased sales of all consumer goods. But, there were insufficient supplies of some non-staple foods and consumer durables.

The region expanded its economic exchanges with the outside world; there was a big increase in foreign trade and exports. Total export volume for the year was \$540 million, an increase of 26.2 percent over 1986. Exports of industrial and mining products showed relatively rapid increases. Total import volume for the year was \$190 million, an increase of 190 percent over 1986. This increase was mainly accounted for by urgently needed raw materials and agricultural production materials. The region used \$92.33 million in foreign investment during the year, an increase of 15.7 percent over 1986.

Living standards of people in the urban and rural areas improved somewhat. According to sample surveys, on average each member of an urban family had 889 yuan in disposable income. After allowing for price increases, this showed a rise in real terms of 1.8 percent over 1986. The average net income of the peasants was 354 yuan. After allowing for price increases, this was a rise in real terms of 3.4 percent. Urban and rural savings showed relatively big increases. Total deposits at the end of the year were 6.76 billion yuan, an increase of 40.8 percent compared with the beginning of the year.

Hainan To Establish High-Technology Company

HK200227 Haikou Hainan Island Service in Mandarin
1100 GMT 19 Mar 88

[Text] The China Science and Technology Association, the Ministries of Astronautics and Aviation Industry, and the Hainan Science and Technology Association have decided to jointly establish the Hainan High-Technology Industrial Estate General Company, to be operated as a high-technology development enterprise. This project was recently approved by the central departments concerned and the Preparatory Group for the Establishment of Hainan Province. Land requisition, planning, and the organization of the company's management organs are now underway.

Last October the China Science and Technology Association sent 25 leaders of 12 units, with the focus on the Ministry of Aviation Industry, to Hainan to carry out a 14-day study. Twenty-five letters of intent for technological cooperation were signed. At the beginning of March, Gao Zhenning, vice chairman of the association, and He Wenzhi, vice minister of the aviation industry, led a 16-member economic investigation group on a special

trip to Hainan to discuss the preparations for the industrial estate. They also exchanged views with comrades Liang Xiang, Liu Jianfeng, Bao Keming, Yao Wenxu, and Meng Qingping. ●

The science and technology industrial estate is a new-style enterprise combining research and production. In recent years, industrial estates of this kind have been set up on varying scales in Shanghai, Tianjin, Shenyang, Shenzhen, and Nanjing.

In setting up this industrial estate, Hainan will adopt various methods to promote the integration of science and technology with production, inventors, scientists, and technicians with entrepreneurs, hard science with soft science, and labor-intensive with knowledge-intensive industries. This integration will help us to rapidly convert science and technology into productive forces and turn the results of science and technology into products and commodities.

A responsible person of the Hainan Science and Technology Industrial Estate General Company told reporters that the estate will be built at Haikou and will cover an area of 1,500 mu. On completion, its annual output value will be between 200 and 500 million yuan. Construction will be divided into three stages: initial, development, and lead development. The estate will become a window for Hainan's new-style lead industries and for demonstration. It will also be a consultative service and training center for science and technology and management.

XINHUA Profiles Hainan's Liang Xiang

OW190728 Beijing XINHUA in English 0930 GMT
18 Mar 88

[Text] Guangzhou, March 18 (XINHUA) — One of the recent newsmakers in Chinese Government circles is Liang Xiang, former head of the Shenzhen Special Economic Zone and now a senior leader of Hainan Island.

Liang is now deputy head of the Hainan Provincial Preparatory Group and deputy secretary of the Hainan Provincial Preparatory Work Committee of the Communist Party.

Liang became well-known for his boldness in pioneering and action. When he was the deputy mayor of Guangzhou City, he solved the shortage of supply of vegetable and coal, and he led the way for the establishment of China's first special economic zone in Shenzhen.

Liang's new job is to build up the Hainan Island Special Economic Zone.

On the seventh day after he arrived in Hainan last September, he began a round-the-island tour, inspecting harbors and airports and visiting villages of the minority Miao people.

He worked day and night to formulate preferential policies and economic development and city construction plans, and receive foreign investors and journalists.

Now the preferential policies have been worked out and will soon be published. The economic development strategy has been outlined and the preparatory work for establishing Hainan Province, completed.

Just like Shenzhen in the early period of its development, he noted, Hainan is backward in productivity and infrastructure and short of trained personnel and funds.

But the central authorities have granted more decision-making power and preferential policies to Hainan than to Shenzhen.

Liang's determination to build up the Shenzhen zone was strengthened when Deng Xiaoping made an inspection tour in 1984. Deng said, "the development and experience of Shenzhen has proved that our policy of building special economic zones is correct. The Shenzhen Special Economic Zone is successful."

"Now we are to build China's second-largest island into a special economic zone with an export-oriented economy, in which industry will play the dominant role and industry, agriculture, trade and tourism will grow harmoniously," he stressed.

"We'll catch up with the average national output level in five years and the economic level of the developed countries and regions in Southeast Asia in about 20 years," he vowed.

Liang was born in Kaiping County, Guangdong, in 1919. He was admitted into the Communist Party of China at the age of 17, and he has held many leading posts, including member of the Standing Committee of the Guangdong Provincial Communist Party Committee and Guangdong deputy governor.

Hunan Meeting Discusses Science, Education Goals

HK190700 Changsha Hunan Provincial Service
in Mandarin 0100 GMT 16 Mar 88

[Excerpts] Wang Xiangtian, Standing Committee member of the provincial party committee and vice governor, gave a speech this morning at a provincial work conference on science and education. He noted: All departments under the provincial science and education system must make great efforts to achieve 10 goals in about 5 years.

The 10 goals are:

1. That our urban and rural areas carry out compulsory primary education in an all-around way. Primary school graduates in the great majority of areas in our province can enter junior middle schools. [passage omitted]

2. That the sizes of ordinary colleges and universities be expanded to some extent. [passage omitted]

3. That the great majority of cities and counties in our province basically complete the task of enabling young and middle-aged illiterate people to read and write. [passage omitted]

4. That while making sustained efforts to promote basic studies, applied and exploratory studies be treated as focal points, with the establishment of 15 areas engaged in intensive implementation of sparking plans and with the gradual establishment of relevant industries.

5. That the activities of establishing advanced enterprises and rural areas in science and technology be energetically promoted. [passage omitted]

6. That over 20 new technical research projects in our province be included in state plans. [passage omitted]

7. That there be relatively great improvements in the province's sports standards. [passage omitted]

8. That urban and rural medical and public health networks be generally perfected. [passage omitted]

9. That foodstuff standards in our province conform with the hygienic standards set by the state. [passage omitted]

10. That the province's population growth be controlled. That the province's percapita natural population growth rate not exceed 11.5 per thousand. That the province's population not exceed 61.22 million by 1992.

Hunan Issues Circular on Early Marriage

HK190621 Changsha Hunan Provincial Service
in Mandarin 0100 GMT 19 Mar 88

[Text] According to a survey by the provincial family planning departments, there is widespread early marriage and child-bearing and unregistered cohabiting in rural Hunan. These irregular marriages cause difficulties for population control. Nearly 100,000 babies in the province last year were born to very young women. The youngest was only 13.

In early March, with the agreement of the provincial government, the provincial Family Planning Commission, Civil Affairs Department, Judicial Department, and Federation of Women jointly issued a circular calling on the government at all levels to summon the departments concerned to thoroughly investigate the problem of early child-bearing. On the basis of investigating the causes, they should do a good job in handling the problems of unregistered cohabiting and of unmarried mothers. At the same time, it is necessary to criticize and educate, and even punish by discipline, those parents who connive with their sons and daughters in practicing unregistered cohabiting.

It is necessary to keep a strict check on registry personnel who do not carry out their duties properly. Those who violate laws and discipline, engage in malpractices for selfish ends, and practice bribery and corruption, resulting in early marriage and child-bearing, must be dealt with strictly. Legal sanctions must be enforced against those who break the law.

Southwest Region

Yunnan, Guangxi, Guizhou Prefectures Cooperate

HK190650 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 16 Mar 88

[Excerpts] Lateral economic cooperation among the four border prefectures of Yunnan, Guangxi, and Guizhou is achieving multilayered, multichannel, and overall development. The four prefectures, namely, Yunnan's Qujing and Wenshan Prefectures, Guangxi's Bose Prefecture, and Guizhou's Qianxinan Autonomous Prefecture, yesterday signed agreements covering 60 new joint projects at a meeting held in the Wenshan autonomous prefecture of the Zhuang and Miao nationalities in our province. [passage omitted]

From 12 to 15 March, comrades from the four prefectures' parties concerned held their third meeting on their economic cooperation. [passage omitted]

Zhu Kui, Standing Committee member of the Yunnan Provincial CPC Committee and vice governor, attended and addressed the meeting. He expressed the hope that the four prefectures will jointly carry out more real work, further strengthen the work of exploiting and utilizing their superior natural resources, assist poor areas in becoming rich, and realize common prosperity among all nationalities.

Sichuan Stresses Unified Fertilizer Arrangements

HK200533 Chengdu Sichuan Provincial Service
in Mandarin 0100 GMT 19 Mar 88

[Station Commentary: "It Is Very Essential To Institute Unified Pricing, Distribution, and Handling of Chemical Fertilizer"]

[Excerpt] Spring is here, and millions of peasants are expectantly awaiting their chemical fertilizer. This year there are insufficient sources of chemical fertilizer, and the peasants' requirements can hardly be satisfied.

In order to protect the peasants' fundamental interests and use the limited chemical fertilizer where it is needed most, the provincial party committee and government have decided to institute unified distribution and pricing of chemical fertilizer, together with unified handling by the supply and marketing and agricultural materials departments. This policy meets the desires of the people and has been welcomed and supported by grass-roots

cadres and peasant masses. The government at all levels and departments throughout the province must implement this policy unswervingly.

At present, it is a fact that a few areas are not firm enough in implementing this policy. The problems of chemical fertilizer being handled through a variety of channels, with confusion in prices, have not been really resolved. We hope these areas will correct their mistakes and fully bring the management and supply of chemical fertilizer onto the track of unifying three things. [passage omitted]

Tibet CYL Letter Denounces 'Splittists'

*HK181417 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 17 Mar 88*

[Excerpt] On 16 March, the CYL Committee of our autonomous region issued a letter to the committee members and youths of all regional organs. The CYL Committee called on them to grasp the nature of the 5 March riot and to thoroughly expose and indignantly denounce the crimes committed by splittists.

The letter says: On 5 March, a small number of splittists created another riot in Lhasa. They caused enormous losses of state and people's property, as well as seriously disrupting public order and the people's normal life. The riot constituted a serious political struggle.

The letter calls on CYL Committee members and youths to quickly grasp the nature of this struggle and to thoroughly expose and indignantly denounce the reactionary activities of splittists.

The letter says: We must conscientiously study the central authorities' policies toward work in Tibet, and study the autonomous regional party committee's relevant documents. We must actively listen to, watch, and read radio, television, and newspaper reports with the purpose of making a clear distinction between right and wrong and taking a firm stand. We must not participate in, support, or watch riots. In particular, at present, we must neither spread nor believe rumors. We must safeguard the unity of the motherland and nationality solidarity just as we take good care of our own eyes. [passage omitted]

Tibetan High Schools Receive Government Aid *OW190124 Beijing XINHUA in English 1454 GMT 18 Mar 88*

[Text] Lhasa, March 18 (XINHUA)—Of the 67 secondary schools in Tibet, 45 supply students free food, accommodation, and clothing, XINHUA learned today.

The Shannan No. 1 High School is one school under this program, which provides each of the 500 students 17.5 kg of meal tickets and 24 yuan in spending money every month.

All students from farms and grassland areas have to live at school, said a school official, adding that 10 to 14 students share 1 large room.

"We supply them with beds, quilts, washbasins, blankets, and even soap, towels, and summer and winter clothing," the official said.

Since 1983, of the 50 students which graduate from the school every year, 40 go on to polytechnical schools. At present, 70 percent of the students at the Shannan High School are the children of Tibetan farmers and herds-men.

Some students are eager to get more education after high school.

"My goal is to go to medical school and return the plateau as a doctor," said one.

Yunnan Leader Discusses Political Reforms

*HK210157 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 20 Mar 88*

[Text] Nie Ronggui, deputy secretary of the provincial party committee, spoke about political structural reforms and party building at the third training course for prefectural and county leading cadres yesterday. Nie Ronggui said that political structural reform is an essential self-perfection of socialism. Its aim is to strengthen vitality, achieve a high degree of democracy, improve efficiency, and strengthen and improve party leadership. This reform involves broad fields and is very difficult, hence, the party committees and government at all levels must clearly understand its aims and significance.

Nie Ronggui pointed out that separating party and government functions is the key to political structural reforms. In accordance with the CPC Central Committee's instructions, we must take a resolute approach and carry out the work in a measured and steady fashion. In carrying out political structural reform, the party committees and government at and above county-level must undertake the work along the lines of the five tasks proposed by the 13th party congress and give full scope to the functions and roles of the People's Congress and government. It is necessary to correctly evaluate the achievements of political work cadres and fully mobilize their positive factors.

On reforms of the personnel system, democratic consultation and dialogue, and delegation of powers, we must at present follow the spirit of the 13th party congress report, find out a whole set of methods in the course of practice, and systematize, standardize, and gradually implement them.

On questions of party building, Nie Ronggui put forward the following demands:

1. Get a good grasp of studying the 13th party congress documents, further emancipate the mind, and apply the productive forces criterion to judge right and wrong, merit and demerit, gain and loss, and success and failure.

2. Adopt various methods to improve the political, cultural, and professional qualities of party-member cadres.

3. Strengthen the vitality of the party organizations and give full scope to the vanguard and model role of the party members.

4. Continue to do a good job in improving party style, educating party members, establishing party systems, and correcting various unhealthy trends.

Nie Ronggui stressed in conclusion that in political structural reform, party committees and government at all levels must strengthen the party's ideological and political work and the building of the two civilizations. They must also promote the development of the productive forces and the commodity economy in Yunnan.

Zhu Kui, member of the Standing Committee of the provincial party committee and vice governor, presided at the meeting.

Yunnan Checks on Nonagricultural Usage of Land
HK200510 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 17 Mar 88

[Text] Yunnan Province has basically completed its work of checking on the use of land for nonagricultural purposes. Through cross inspection, it is found that most areas in the province are up to acceptance standards. The questions left over by this inspection will be treated as part of the day-to-day land management work. Efforts will be made to continue resolving such questions.

The province began to comprehensively check on the use of land for nonagricultural purposes in April 1986. Party committees and governments at all levels have attached major importance to this work; relevant leading groups or work teams at all levels were established, including those at the provincial and county levels. All areas have made full use of various forms of propaganda to conduct for the vast numbers of cadres and people an education in treasuring and rationally using every inch of land as well as in conscientiously protecting cultivated land. This education has heightened the sense of the legal system among the cadres and people.

Over the past 2 years, through the work of checking up on the use of land for construction projects of the state and township and town collectives as well as on the use of land for personal housing construction purposes, the province ascertained more than 440,000 cases of illegal

use of land. They found that more than 147,000 mu of land had been illegally occupied. Of the illegally occupied land, cultivated land accounted for more than 70,000 mu.

Through conscientiously checking up on the use of land for nonagricultural purposes and through seriously investigating and handling cases of illegal occupation of land, the province's phenomena of arbitrarily and irresponsibly occupying and using land have been brought basically under control. Many areas in the province have established rules and regulations governing land management as well as village stipulations and civil rules in this regard. Thus, solid foundations for strengthening regular land management in the future were laid.

Yunnan Notes Widespread Bigamy, Cohabiting
HK200415 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 19 Mar 88

[Text] According to YUNNAN RIBAO, the results of a survey of marriage registration conducted by the provincial Civil Affairs Department last year were released in mid-March. The data shows that there has been an increase in the number of unregistered marriages in the province in recent years; these include particularly large numbers of early marriages, bigamy, and cohabiting. The whole of society must pay great attention to this and work together to implement the marriage law.

Last year, civil affairs departments in Yunnan assigned forces to take stock of marriage registration since 1980. They found that 800,000 couples had contracted unregistered marriages during these 8 years. A very large proportion of these consisted of early marriages, bigamy, and unregistered cohabiting. The incidence of these cases has reached a shocking level at many of the points surveyed. The early marriage rate in (Jinmin) township of Yaoan County reached 74 percent in 1984 and 1985. There was one case of marriage between 8-year-olds.

There is also a serious problem with bigamy and cohabiting. Among 69 households in (Nanke), (Jinzhai), and (Pinghe) Villages in Xiping County, there have been 48 cases of cohabiting in recent years.

A responsible comrade of the provincial Civil Affairs Department said in squarely facing the problems reflected in marriage registration work in Yunnan, it is very necessary to launch reeducation in the marriage law. People must seriously learn the law, strictly enforce it, and act accordingly. He hoped that the whole of society will closely cooperate in this effort.

North Province

Beijing Exports Technology for First Time
OW190741 Beijing XINHUA in English 0847 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA) — Beijing has exported 5.7 billion U.S. dollars worth of goods to more than 130 countries and regions during the past nine years.

Huang Chengxiang, deputy director of the city's Foreign Economic Relations and Trade Committee, disclosed the figure at a recent meeting of the municipal People's Congress Standing Committee.

According to Huang, last year the capital exported 2.8 million U.S. dollars worth of technology, and this was Beijing's first time to be involved in technology exports.

More than 60 percent of the exported goods, mainly machinery, electronics and textile products, went to Hong Kong, Macao, the United States, Western Europe and Japan, Huang said.

A group headed by the city's Vice-Mayors Zhang Jianmin and Wu Yi has been formed to promote economic relations and trade between Beijing and points abroad, he added.

Huang also said, the contract responsibility system will be introduced in all the city's export-oriented enterprises by the end of this year, and export producers will have to sign contracts to guarantee export supplies.

Incentives will be offered to encourage producers to meet the contracted export targets, while those who fail to carry out contracts will be reprimanded, Huang said.

Beijing Government Seeks More Foreign Investment
OW181434 Beijing XINHUA in English 1332 GMT
18 Mar 88

[Text] Beijing, March 18 (XINHUA)—The Beijing Government wants to pull in more foreign investment for export-oriented enterprises and infrastructure development and have less go to hotel construction.

An official in charge of the capital's economic affairs said, foreign investors have built a considerable number of hotels in Beijing in recent years, and now the capital is offering more opportunities for overseas firms to invest in projects to improve the city's water, electricity, gas, telecommunications and traffic facilities.

"Overseas firms are invited to get involved in export-oriented enterprises in the electronics, food, building materials, textile and light industries," the official said.

These enterprises can be opened using existing factory buildings and equipment from the Chinese side combined with funds, technology, management and equipment from foreign partners, he added.

In general, foreign investors are satisfied with those factory facilities built since 1949, he said.

Beijing Township Firms Contribute to Economy
HK190332 Beijing CHINA DAILY in English
19 Mar 88 p 3

[By staff reporter Cheng Hong]

[Text] Beijing's collectively-owned township enterprises are actively promoting the economy as well as improving people's living standards.

Liu Junhua, director of the Service Trade Office under the Beijing municipal government, said at a news conference yesterday that there are now 6,817 township enterprises and they employ 350,000. And during the last nine years, they sold more than 20 billion yuan worth of goods, made more than 2 billion yuan in profits and turned over nearly 1 billion yuan to the State.

Li said that a service system has been developed that provides multiple functions at several levels for trades like the light handicraft industry, communications and transport, construction, commerce, catering, repair, scientific and technical consulting and education.

Last year, the retail sales volume earned by the townships from commerce and service was 3.6 billion yuan, 20.3 percent of the total retail sales, while in 1979 the percentage was only 0.18.

Liu said that in Chongwen District, for example, after nine year's development, township enterprises realized profits of more than 60 million yuan last year. Profits earned by State-owned businesses were only about 76 million yuan.

About 15 of the township enterprises in the city make an annual profit of more than 500,000 yuan, among these 61 enterprises make a profit of more than 1 million yuan. These are only 2.2 percent of the collectively-owned economic enterprises, but they made nearly 35 percent of the total profits.

More than 100 collectively-owned township enterprises in the city export their products regularly. Last year, they earned foreign currency worth 100 million yuan, an increase of 22 percent over the previous year. Songzhu Woollen Knitwear Factory and Yanjiang Painting and Calligraphy Society made \$4 million in foreign currency.

city authorities encourage township enterprises to cooperate with enterprises in 23 provinces and cities and regions and material bases have been set up outside the capital to meet the increasing need for raw materials, Li said.

Township enterprises have also created more jobs, he said. Of the 350,000 people now employed about 40 percent were young people who had not been working. In the past nine years, a total of 2 million young people got jobs.

"Beijing has more than 5 million people living in the city and a transient population of about 1 million," Li said. "Several years ago, Beijing residents had difficulties getting repairs done, buying vegetables and eating out at a reasonable price. Both city dwellers and visitors from other places had many complaints."

To solve the problem, the collectively-owned township enterprises set up a network of many kinds of service. Nowadays the city provides 45,000 services run by collective enterprises which made up 41 percent of the total in the city.

Li also said that owing to a lack of funds and experience and low management levels there are new problems to be solved.

He added the policy for the collective economy is not yet perfect and stable.

Beijing Computerizes Traffic Control System

HK190216 Beijing CHINA DAILY in English
19 Mar 88 p 1

[By a staff reporter]

[Text] A computerized traffic control system designed for the central part of Beijing will go into operation today and is expected to increase traffic efficiency in this downtown business area by about 20 percent.

The Beijing Urban Traffic Control System (BUTCS), serving all the 53 major intersections within the second ring road, is based on predefined and stored signal programmes. These can be adjusted so that traffic lights are timed to co-ordinate the flow of vehicles with minimum delay.

A co-operation project with the Iskra Company of Yugoslavia, the system allows groups of vehicles to enter the 45-square-kilometre control area at one end and leave it at the other without too many stops.

A main computer control centre, through three zone control centres, monitors the signal lights at 53 intersections and adjusts its control programmes according to the information from traffic volume detectors.

Since many pedestrian-crossings are equipped with signal lights, the system is expected to make street-crossing safer. Pedestrians will have more time to cross because of longer intervals between red and green lights.

Bicycle signals are part of the signal lights at some intersections. A green light for cyclists switches off a few seconds before the motor traffic green light to allow enough time for a safe crossing.

According to Duan Liren, director of Beijing Research Institute for Traffic Engineering, the new traffic control system is another step forward in the city's efforts to

modernize its road traffic facilities. Last November, the city set up a traffic control system that puts 39 intersections in the eastern part of the city under automatic management according to the changing traffic flow.

Duan said the municipal government plans to establish similar advanced traffic control systems in other parts of the city in the next few years.

By 1995, the city will have an advanced traffic information network, including telecommunications, signals, office management and treatment of traffic violation.

Nei Monggol Exports Resources to Coastal Regions

OW181107 Beijing XINHUA in English 1206 GMT
17 Mar 88

[Text] Hohhot, March 17 (XINHUA)—By supplying coastal regions with the resources they need, Inner Mongolia Autonomous Region is getting rich returns in funds and technology.

In the past six years, the region has received 540 million yuan in funds and signed 2,500 economic and technological contracts involving 700 million yuan.

According to Pi Yingwu, vice-chairman of the region, coal, steel and iron, paper pulp and other raw materials are exported to support coastal areas to develop a foreign market-oriented economy.

In return, funds, technology and people with specific knowledge have come to the region and have greatly facilitated the development of the local economy, Pi said.

Various forms of cooperation have been adopted between the region and economically-developed areas including joint ventures, cooperative production and compensatory trade.

Nei Monggol Democratic League Congress Ends

SK200242 Hohhot Nei Monggol Regional Service
in Mandarin 1100 GMT 19 Mar 88

[Text] The 4-day second congress of the Nei Monggol regional committee of the China Democratic League ended in Hohhot yesterday.

After repeated and conscientious discussions and consultation, the congress adopted a work report of the Nei Monggol regional committee of the China Democratic League, delivered by Li Shuyuan on behalf of the committee. It elected the league's second regional committee and delegates to the league's sixth national congress. The congress also adopted a resolution of the second congress of the Nei Monggol regional committee of the China Democratic League.

The resolution states: Democratic League organizations at all levels and all league members should conscientiously study and implement the guidelines of the 13th CPC Congress and the Fifth Plenary Session of the Fifth China Democratic League Central Committee. They should understand the new situation and tasks lying ahead for the China Democratic League, better serve the socialist modernization drive, and strengthen the China Democratic League's self-cultivation in the course of reform and opening up. The resolution calls on all members of the China Democratic League throughout the region to actively respond to the call of the fifth enlarged plenary session of the fourth regional party committee and to make new contributions to invigorating Nei Monggol.

The first meeting of the second regional committee of the China Democratic League, held this morning, elected the Standing Committee of the second regional committee of the China Democratic League. Li Shuyuan was elected chairman and (Lin Gang) and (Tian Muqian) were elected vice chairmen.

Shanxi Official Stresses Mental Emancipation

HK190217 Taiyuan Shanxi Provincial Service
in Mandarin 2300 GMT 18 Mar 88

[Text] Zhang Weiqing, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, spoke at an 18 March report meeting convened by the party committee of the provincial organs on studying the 13th party congress documents. He stressed that: Emancipation of the mind is particularly important in Shanxi. He also put forward the following demands on further deepening the study of the documents:

1. It is essential to further emancipate the mind in deepening this study.
2. It is essential to study seriously the theory on the initial stage of socialism and conduct thorough education in the party's basic line.
3. It is essential to study seriously, grasp, and publicize socialist reform theories.
4. It is essential to have a correct view of the position and role of ideological and political work in the new period.
5. The leading cadres at all levels must take the lead in study.

Comrade Zhang Weiqing said on the question of stepping up ideological and political work in the new period: Ideological and political work plays the function of molding people's souls. Any idea or action in weakening the party's ideological and political work will threaten the great undertaking of the four modernizations.

Shanxi Reports 'Chaos' in Coal Transport

HK190219 Taiyuan Shanxi Provincial Service
in Mandarin 2300 GMT 18 Mar 88

[Text] According to SHANXI RIBAO, Shanxi's railroad transport of coal out of the province is in chaos. Last year over 9 million tons of coal not covered by the plan were shipped out of the province, with the result that the state plan was affected to the extent of 5 million tons. In January and February this year, coal shipments out of the province covered by the plan fell to the lowest level in recent years. According to the state's mandatory plan, 10.2 million tons of coal should have been shipped out of the province in the first 2 months of the year. However, only 7.57 million tons—74 percent of the planned figure—were shipped out. In absolute terms, this showed a drop of 1.57 million tons compared with the same period last year; it represented 33 percent of the shipments covered by the plan for the whole of last year. Shipments not covered by the plan grew at an unprecedented rate during the first 2 months of the year. If the present situation continues, at least 2 million tons of coal not covered by the plan will have been shipped out by the end of the year [figures as heard].

The chaotic management of railroad transport of coal out of the province first hits at the state plans and affects coal consumption in fraternal provinces and municipalities and the development of the national economy. Second, it means that the people of Shanxi are unable to enjoy the benefit given the province by the central authorities; this affects the invigoration of the economy and enrichment of the people. The provincial government is therefore resolved to straighten out this situation. Methods of doing this are now being formulated.

Tianjin Stresses Increase in Technology Imports

OW190734 Beijing XINHUA in English 0910 GMT
18 Mar 88

[Text] Tianjin, March 18 (XINHUA) — All the 684 technical renovation projects with technology and equipment imported by this north China port city during the Sixth Five-Year Plan (1981-1985), will go into operation this year, XINHUA learned today.

At the end of last year, 623 projects had gone into service.

The projects yielded an output value of 5.3 billion yuan (about 1.4 billion U.S. dollars) last year, making up 16 percent of the city's total. They handed over to the state profits and taxes of more than one billion yuan and exported goods worth 90 million U.S. dollars.

Tianjin is one of the major cities which have more power over disposal of foreign currencies and in the period 1981-1985 15,000 items of high technology for 18 industrial sectors were imported, including automobiles,

petroleum and engineering machinery, household electrical appliances, broadcasting and television equipment, instruments and meters and textiles.

The imports have invigorated the city's industry, a recent meeting on technical progress of enterprises was told. More than 300 machinery, textile and light industrial factories have developed 600 new products with imported technological equipment.

The domestically made parts for color television sets, cameras, cassette-recorders, duplicators, color photo developing equipment, cars, refrigerators and motorcycles have accounted for 50 to 96 percent.

Northeast Region

Jilin Congress Standing Committee Meeting Ends *SK190910 Changchun Jilin Provincial Service* *in Mandarin 1020 GMT 18 Mar 88*

[Excerpts] The second Standing Committee meeting of the seventh provincial People's Congress ended in Changchun this afternoon after a five-day session. By vote, the meeting adopted Jilin Province's provincial regulations on management of urban house property, the Jilin Provincial People's Congress Standing Committee's rules of debate, and the namelists of members of the credentials committee of the Seventh Jilin Provincial People's Congress Standing Committee and the namelists of personnel appointments and removals. [passage omitted]

In a plenary meeting held on 16 March, the committee members heard a report given by Li Sen, director of the Jilin Provincial Water Resources Department, on implementing Jilin's regulations on river course management; a report given by (Xu Huaying), a responsible person of the provincial Press and Publication Bureau on dealing strict blows against illegal publications; and a report given by Xie Anshan, president of the provincial Higher People's Court, on the establishment of people's courts at various levels. [passage omitted]

Huo Mingguang, chairman of the provincial People's Congress Standing Committee; and Cheng Shengsan, Yu Ruihuang, Zhu Jinghang, Chen Zhenkang, and (Ge Muyun), vice chairmen of the provincial People's Congress Standing Committee; and Zhang Jiande, secretary general of the provincial People's Congress Standing Committee; and committee members, 47 persons in all, attended the meeting. The meeting was presided over by Cui Lin, vice chairman of the provincial People's Congress Standing Committee. Liu Xilin, vice governor, Xie Anshan, president of the provincial Higher People's Court; Li Xiangwu, chief procurator of the provincial People's Procuratorate; and responsible comrades of various departments, committees and offices of the provincial People's Congress Standing Committee, the

relevant departments and bureau of the provincial government, various city and autonomous prefectural People's Congress Standing Committees, and the office in charge of People's Congress work in Baicheng Prefecture attended the meeting as observers.

1988 Enrollment of Liaoning Pilots Begins *SK210448 Shenyang Liaoning Provincial Service* *in Mandarin 1030 GMT 20 Mar 88*

[Text] According to information obtained by this station's reporter, (Lin Gang), from the provincial conference on 1988 enrollment of pilots, which was held on 20 March, the 1988 enrollment of pilots from among the graduates of senior middle schools was conducted comprehensively in the province a few days ago. The enrolling of pilots by the PLA Air Force directly from among the 1988 graduates of senior middle schools is an important reform measure defined by the State Council and the Central Military Commission.

As one of the experimental provinces of the first group, Liaoning Province satisfactorily fulfilled the pilot enrollment task last year. This year, the scale of pilot enrollment will be expanded from Shenyang and Anshan cities last year to Dalian, Dandong, Jinzhou, and Tieling cities; and more students will be enrolled.

In addition to sitting for the national unified entrance examination of regular higher learning institutes, the newly enrolled students should undergo strict physical, political, and mental examinations. Those who meet requirements will be admitted to the Air Force Flight Academy to undergo a 4-year course. Upon graduation these students will be distributed to various Air Force corps. It is expected that the 1988 pilot enrollment will be finished by the end of August.

Northwest Region

Qinghai Official Denies Grain Price Rumors *HK190307 Xining Qinghai Provincial Service* *in Mandarin 2300 GMT 18 Mar 88*

[Text] A responsible comrade of the provincial Price Bureau said when interviewed by reporters that, in accordance with the relevant state decisions, there will be no price increases for rationed grain and oil for urban residents in Qinghai this year. The differences between the grain and oil purchasing and sales prices will continue to be subsidized from state finances.

Rumors recently went around in some places to the effect that grain and oil prices will be raised in April. These rumors caused unnecessary tension. Our reporters therefore interviewed responsible comrades of the provincial Price Bureau and the Xining Grain and Oil Company. The reporter learned from the grain and oil company that there are ample stocks in the provincial and city grain and oil stores. Rice and flour shipped in by

the grain departments from other provinces are continuing to arrive. The reason why some grain shops have sold out of certain varieties is that there is insufficient road transportation, and certainly not because there is a lack of supply.

The responsible comrades of the bureau and the company expressed the hope that the masses will not worry about increased prices and insufficient sources of supply of grain and oil.

Qinghai Lamas Denounce Lhasa Rioters
HK190309 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 18 Mar 88

[Excerpts] On the afternoon of 17 March, some 200 Taersi County lamas held a rally to sternly denounce the instigators of the 5 March Lhasa riot. [passage omitted]

Living Buddha (Qieji) said at the rally: A few separatists regarded the government's leniency as a sign of weakness. Some of these people were lamas. For religious people to take the lead in disrupting society and engaging in sabotage and separatism runs completely counter to the desires of the people of Tibet and to religious teaching, and is also forbidden by state law.

The lamas denounced the reactionary slogan "independence for Tibet" in blunt language, and strongly demanded that the government sternly punish the instigators and creators of the riots. [passage omitted]

The lamas declared that they will support the leadership of the party and government and engage in normal religious activities within the scope allowed by the law. They will not be fooled by bad people but will be good citizens and religious figures.

Qinghai Meeting Sets Propaganda Tasks
HK210217 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 20 Mar 88

[Excerpts] The provincial propaganda work conference concluded on 20 March. It decided that in propaganda and ideological work this year, it is necessary to further emancipate the mind and center the work on stabilizing the economy, deepening the reforms, and fully publicizing and implementing the line, principles, and policies set by the 13th National Party Congress. At the same time, we must actively and cautiously carry out reforms in propaganda work itself, to provide better service for economic construction. [passage omitted]

The meeting held that in propaganda work it is necessary to carry out in depth theoretical propaganda and study, promote theoretical study for the cadres, get a good grasp of the main topic—deepening reforms—and step up media propaganda for reforms and economic construction. Through research in the theory of the initial stage, we should deepen people's understanding of the provincial condition and eliminate empty and unrealistic ideas

of being impatient for success and also oppose apathy and passive pessimism. We must focus on theoretical studies for leading cadres at and above county-level. [passage omitted]

The meeting held that reforms of the media must embody the spirit of democracy, openness, and seeking truth. We should gradually increase reporting on party affairs and activities and make the news more open and transparent, so as to give scope to the supervisory role of the media. In literature and art work, it is necessary to uphold serving the people and socialism, implement the double hundred principle, and further emancipate and develop the artistic productive forces so as to promote literature and art in Qinghai.

Liu Feng, deputy secretary of the provincial party committee, and Chen Yunfeng and Bian Yaowu, members of the Standing Committee, spoke at the meeting.

Qinghai Science, Technology Conference Ends
HK200257 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 19 Mar 88

[Excerpt] The provincial government held a gathering in the provincial People's Hall on 19 March to relay the spirit of the national science and technology work conference and make arrangements for science and technology work in Qinghai. Vice Governor Bainma Dandzin presided.

(Yin Yongzhang), chairman of the provincial Science and Technology Association, relayed the spirit of the national conference and put forward demands on science and technology work in Qinghai. He said that this work in Qinghai is far from meeting the requirements of economic and social development. The main problems are: We lack strong consciousness of the advance of science and the concepts of value, technological commodities, and competition; we have not taken big strides in science and technology structural reforms; science and technology is not coupled to the economy; the science and technology management setup is not in step with the economic management setup, macroeconomic guidance is ineffective and there is not enough microeconomic invigoration.

(Yin Yongzhang) said that, to stimulate the advance of science and technology in Qinghai, it is essential to strengthen leadership over the work, further emancipate our minds, establish the concept of closely integrating science and technology with the economy, get a good grasp of structural reforms based on Qinghai realities, and promote the advance of science and technology.

The departments concerned must revise as soon as possible the report on Qinghai's science and technology development strategy and counter-strategy for the year 2000. The planning, economic, financial, fiscal, taxation, industry and commerce administration, and labor and personnel departments must study new measures for

promoting the close integration of science and technology with the economy and create an excellent social climate for the development of science and technology. [passage omitted]

Qinghai Leader Urges Emancipation of Mind
HK190243 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 18 Mar 88

[Excerpt] Liu Feng, deputy secretary of the provincial party committee, spoke at the provincial propaganda work conference on 18 March. He said that, with regard to certain reform policy decisions and measures based on Qinghai realities, we should not worry about others asking whether we are keeping in step with the CPC Central Committee, whether these decisions and measures are socialist or capitalist, and whether we will throw the province's economy into chaos. So long as these decisions and measures accord with Qinghai realities, stimulate the development of the productive forces, and remain fundamentally in step with the CPC Central Committee, there is no doubt at all that they are socialist and it is certain that they will promote the province's economic development.

Liu Feng said: On encountering new problems, certain comrades first consider whether the orientation is correct instead of thinking about developing the productive forces. They are accustomed to copying things in a mechanical fashion. This is the old way of thinking produced during a long period of leftist political climate.

Liu Feng pointed out that in emancipating the mind and carrying out education in the party's basic line, it is essential to seriously organize the party members and cadres to hold wide-ranging and thorough discussions on the question of the productive forces criterion. This is particularly necessary in leading organs at county-level and above. Through this discussion, everyone should clearly understand the basic meaning and concept of the productive forces criterion. [passage omitted]

Army-Civilian Cooperation Expands in Shaanxi
HK181423 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 17 Mar 88

[Excerpts] From 14 to 16 March, the provincial people's government held a provincial conference on Army-civilian promotion of technological transformation.

The conference, which was held at the Xian Aircraft Industry Company, noted: Army-civilian cooperation in helping military enterprises to produce products for civil use is an important strategic task to develop the Chinese national economy. This task is of particular importance and urgency to Shaanxi, a province with quite a few military industrial enterprises. To greatly promote the economy of our province, we must give full play to the

superior forces of our military industrial enterprises and further promote Army-civilian cooperation in carrying out projects for technological transformation. [passage omitted]

Last year's foreign exchange income from exports for civil use produced by Shaanxi's military industrial enterprises reached \$22 million, an increase of over 100 percent compared with the previous year. [passage omitted]

Shaanxi Meeting Discusses Journalism Reforms
HK200147 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 20 Mar 88

[Excerpts] The Propaganda Department of the provincial party committee recently invited responsible persons of SHAANXI RIBAO, provincial radio and television stations, and the papers of the prefectural and city party committees to a forum to discuss questions of journalism reform. The participating media men expressed strong desire and great enthusiasm for deepening these reforms. [passage omitted]

The forum pointed out that the current practicing of using the media to carry out social dialogue and consultation has aroused the attention of the leading comrades at all levels. The media units must ensure that the channels for this dialogue are kept open, and the departments concerned should cooperate and work together to improve the quality of dialogue, so that each dialogue can truly solve one or two ideological or work problems. We should guard against formalism.

At present press criticism is not lively enough. Certain correct critical reports often incur unwarranted accusations. It is hoped that all sectors will cooperate and do more work to stimulate things in this respect.

Everyone reported that media consumers are calling for cutting down news reports on ordinary meetings and on the activities and speeches of leaders, so that more newspaper space and broadcasting time can be devoted to more important domestic and international information.

During the forum, comrades from the provincial, prefectural, and city press said that due to upward readjustments of newsprint prices and increased mailing costs for newspapers, the newspaper offices are feeling an operational crisis at present. This shows that the state departments concerned need to step up research on questions of economic policies regarding media units. At the same time, the question of how these units can diversify their operations to increase income is also an issue in urgent need of solution.

(Cheng Wanli), deputy director of the provincial Propaganda Department, presided at the forum.

Shaanxi Reports Domestic Product Doubling

*HK190649 Xian Shaanxi Provincial Service
in Mandarin 0500 GMT 19 Mar 88*

[Excerpts] Shaanxi's gross domestic product has more than doubled during the 9 years of reforms. Gross domestic product is one of the main indicators that comprehensively reflect the level of economic development for a given period. Shaanxi's gross domestic product in 1978, before the reforms, was only 10.5 billion yuan. [passage omitted] In 1986, the figure broke through the 20 billion yuan barrier for the first time, and last year it rose further, to 22.6 billion yuan, a rise of 110 percent over 1978.

There were two special features in the growth and changes in the province's gross domestic product last year. First, that portion of gross domestic product arising from tertiary industry exceeded that of primary industry for the first time. Second, the proportion of secondary industry in the increase in gross domestic product rose to 50 percent. These two special features show that the province's production structure is being readjusted and made more rational.

However, there are still great discrepancies between Shaanxi and advanced provinces and regions as far as overall economic growth is concerned. We must further emancipate our minds and speed up the pace of reform. At the same time, the statistics show that some service trades in tertiary industry that are closely linked to people's daily life, such as hair-cutting, public baths, repair trades, and entertainment are still developing rather slowly. The province is still very backward in a few high-technology trades, such as economic and technological information and consultation, which are far from meeting the requirements of social and economic development.

Shaanxi Plans To Reform Housing System

*HK181427 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 17 Mar 88*

[Text] A provincial work conference on reforming the housing system opened yesterday. It decided that, starting this year, our province will act in accordance with the national plan for reforming the housing system and will spend about 3 years to complete the work of housing reforms in 8 cities, 89 county towns, and 284 county townships.

This year, in addition to making experiments in housing reforms in Xianyang and Yanan Cities. Such experiments will also be made in Xian City and Ankang County. Yanan City and Ankang County must complete formulating their plans in this regard before the end of October this year, and formally carry out such plans in January next year.

Xian City can carry out housing system reforms by stages and in batches. This year, the city must complete formulating a plan in this regard and carry out this plan in districts and enterprises with favorable conditions.

This year, Baoji, Tongchuan, Hanzhong, Weinan, and Hancheng Cities as well as Shangxian and Yulin Counties must do well in making investigations and studies and (?calculating) in this regard. They must complete formulating their plans in this regard in the first half of next year and carry out reforms of the housing system in the second half of next year.

All cities and county towns that do not have to begin housing system reform this year must establish leading groups to conscientiously formulate plans for such reforms. In the second half of next year, all prefectures and cities must ensure that 3 to 6 county towns and about 10 county townships in every prefecture or city implement the relevant plan for reforming the housing system. By 1990, with the exception of a small number of economically backward county towns and county townships in both the southern and northern parts of Shaanxi, all other areas in Shaanxi must carry out housing system reforms.

Xinjiang Circular Demands Reducing Expenses

*HK190640 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 16 Mar 88*

[Excerpts] The autonomous regional people's government today issued an urgent circular that calls on all areas throughout Xinjiang to vigorously check the practice of living in luxury and squandering money and to further cut down expenses.

The circular noted: We must energetically reduce investments in nonproductive construction projects, particularly those investments in the construction of office buildings, large halls, and guesthouses. [passage omitted]

The circular said: In setting this year's targets for institutional purchases, we must ensure that this year all units reduce purchases by 20 percent compared to last year's actual expenditure on purchases. [passage omitted]

Xinjiang Considers Cooperation With Coast Areas

*HK190628 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 15 Mar 88*

[Text] The Xinjiang autonomous regional conference on economic and technical cooperation concluded today. It noted: We must seize the opportune time provided by the coastal areas' participation in the great international circle to actively take the initiative in developing joint operations and cooperation with the coastal areas and the eastern provinces and regions in order to promote our region's economic development.

The conference summed up our region's experiences in developing joint operations and cooperation gained over the past few years. It stressed analyzing and studying the (?new conditions) our region is faced with following the coastal areas' participation in the great international circle.

The conference also discussed the relevant preferential policies to promote joint operations and cooperation.

The conference noted: To quicken the pace of promoting joint operations and cooperation, we must first gain a clear idea of the situation. Leaders at all levels and relevant departments must free themselves of the old ideas of closing the country to international exchange [words indistinct], strengthen their sense of opening up, and be bolder in further promoting joint operations and cooperation in a more lively way, with the purpose of making new breakthroughs in promoting our region's work in this regard.

The conference stressed: At present, we must firmly seize the most opportune time provided by the coastal areas' participation in the great international circle; strengthen the work of making investigations and studies of the economic and market needs of the coastal and eastern areas; use our region's superior natural forces of cotton, wool, sugar, salt, cucurbits, fruits, and minerals to actively promote multichannel, overall joint operations and cooperation with economically developed areas [words indistinct]; and formulate more preferential policies to inspire these areas' enthusiasm for making investments and setting up joint operations in our region. [passage indistinct]

Xinjiang Leader Discusses Economic Tasks

HK210243 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 20 Mar 88

[Excerpts] Zhang Sixue, deputy secretary of the regional party committee, pointed out in a speech at the fourth conference on technological progress in enterprises that Xinjiang must succeed in five aspects of economic work this year: 1) Do everything possible to achieve bumper harvests in agriculture and animal husbandry for the 11th successive year. 2) Get a good grasp of three-high industries and products. 3) Get a good grasp of key construction work and ensure that projects scheduled to go into production do so on time. 4) We must achieve a new breakthrough in opening up to the world. 5) Deepen

economic structural reforms and make reforms dominate the overall situation. With these five tasks grasped well, the entire economy will be invigorated.

The key to fulfilling these tasks well lies in bringing about a marked change in the ideological concepts and work style and methods of the leaders at all levels.

Developing the productive forces is the starting point in considering all problems and the fundamental criterion for testing all work. We should apply this to evaluate the work achievements of all departments and units and every cadre. [passage omitted]

On how to take advantage of the favorable chance presented by the participation of the coastal regions in the great international circle to develop Xinjiang's economy, Zhang Sixue said: We must take full advantage of the region's strong points in resources to develop products with Xinjiang characteristics, and give scope to our role in appropriately filling in gaps in the coastal regions' participation in the great international circle. While the coastal regions are joining the great international circle, we must actively open up our western ports to lay the foundation for China's omnidirectional opening up to the world.

Xinjiang Promotes Lateral Economic Ties

HK181431 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 16 Mar 88

[Excerpts] There has been multilayered, multichannel, overall, and vigorous development of lateral economic ties in our region.

According to incomplete statistics, our region concluded and signed over 1,100 contracts on joint projects last year. Of these joint projects, over 870 have been completed and put into operation. The total output value produced by these new projects has exceed 350 million yuan; the profits and taxes produced by them have exceeded 64 million yuan. [passage omitted]

Each of our region's 22 joint projects has an investment of not less than 1 million yuan. Our region has so far absorbed over 50 million yuan in development funds in this regard. [passage omitted]

There has been a new development of joint operations of goods and materials. Last year, the region's funds spent on joint operations of goods and materials reached 480 million yuan, thus enlivening the regional capital and consumer goods market and promoting commodity circulation in Xinjiang.

Government Seeks U.S. 'Sophisticated Weapons'
*OW210547 Taipei CNA in English 0313 GMT
21 Mar 88*

[Text] Taipei, March 21 (CNA)—The Republic of China [ROC] will continue to ask the United States to sell its sophisticated weapons to the ROC to strengthen its national defense, Foreign Minister Ding Mou-shih said Sunday.

The ROC and the U.S. have maintained steady, reciprocal relations during the past years and the ROC has regularly bought defensive weapons from the U.S. in accordance with U.S. commitments, Ding said.

ROC relations with the U.S. are the most important link in the nation's foreign relations, and many exchange programs have been conducted in a spirit of equality and reciprocity even short of formal relations, he said.

ROC-U.S. substantive economic, trade and cultural relations have grown steadily since the severance of diplomatic relations in 1979, Ding said. For example, the bilateral trade between the two countries increased from 1979's US dollar 7 billion to US dollar 28 billion in 1987, and the number of ROC students studying in the U.S. has grown to 23,000 the largest among all foreign countries.

The ROC enjoyed a US dollar 16 billion trade surplus with the U.S. last year as a result of a fair trade conducted under the principle of equality and reciprocity, Ding said.

The U.S. will supply the ROC with necessary defensive weapons in accordance with the Taiwan Relations Act, Ding said. But the ROC will continue to ask the U.S. to sell its sophisticated weapons to the nation even though the U.S. considers such weapons are not needed to help improve the current situation in the Taiwan Straits, he added.

Farmers Protest Imports at U.S. Institute
*HK211148 Hong Kong AFP in English 1136 GMT
21 Mar 88*

[Text] Taipei, March 21 (AFP)—Poultry farmers hurled eggs and live chickens at Washington's representative office here Monday, demanding a halt to exports of U.S. turkeys to Taiwan.

Musicians played mournful tunes as the 3,000 farmers pelted the building with eggs and urged Taiwan-raised chickens to flutter into the American Institute, the United States' de facto embassy here.

Many demonstrators wore headbands that said: "Farmers protest imported turkeys."

Organizers said the protest was triggered by a Taiwan government decision March 12 to lift import restrictions on U.S. turkeys effective May 1.

Later farmers hit Vincent Siew, director-general of Taiwan's Board of Foreign Trade, with more eggs as he tried in vain to clarify government policy on the issue.

Mr Siew said Taiwan would take the farmers' demands into consideration, renegotiate with U.S. officials the turkey import issue.

The farmers' demands include a five-year ban on U.S. turkey imports.

Chen Tun-fang, chairman of the Taiwan Chicken Breeders Association, said farmers had been forced to take to the streets because increased imports of U.S. turkeys had sent domestic poultry prices into a tailspin.

Thirty per cent of Taiwan's 180,000 poultry-raising families have suffered bankruptcy or temporarily suspended operations due to fierce competition from the imported turkeys, sources said.

The American Institute was the scene last Wednesday of another agricultural protest, as thousands of banner-waving farmers demanded that the United States stop dumping its farm products onto the Taiwan market.

Officials at the American Institute have said they are concerned about the impact of U.S. turkey sales on Taiwan's farming economy.

But they have added that it is unlikely that turkey could ever be a substitute for chicken in Chinese cuisine. They noted that turkey imports amount to less than one percent of Taiwan's total poultry production.

Imports of U.S. turkeys totaled 2,684 tonnes in 1987, accounting for 0.7 percent of Taiwan's poultry production in that year, official statistics showed.

But Mr Chen pointed out that more than 64 percent of last year's turkey imports came during the peak season in November and December.

ZHONGGUO TONGXUN SHE Report
*HK190449 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 1113 GMT 17 Mar 88*

[Text] Hong Kong, 17 Mar (ZHONGGUO TONGXUN SHE)—The anti-American demonstration of about 10,000 peasants in Taipei yesterday was the second largest anti-U.S. mass campaign in Taiwan in the past 9 years. The last anti-U.S. action was in 1979 when the United States recognized the Beijing regime and announced the severance of diplomatic relations with Taipei.

The direct cause of yesterday's anti-U.S. action is that from 1 May, large quantities of American turkeys will be imported into Taiwan, bringing the island's 180,000 chicken keepers once again face to face with last year's sad fate of total bankruptcy. But as far as the plotters of the current anti-U.S. action and its participants are concerned, it far exceeds in nature the "narrow interests" of these 100,000 or so peasants. It has, instead, something of an official character.

U.S. turkey exports to Taiwan are prompted by the desire to correct its serious trade deficit with Taiwan, with Taiwan forced to make concessions. Last year, due to the dumping of large quantities of U.S. turkeys, Taiwan chicken keepers were forced to halt the hatching of 1.5 million eggs and make a bonfire of 4 million chicks. Production was cut to maintain the price level and save the chicken market. But in fact, chicken-breeding peasants suffered heavy losses, with almost all their capital gone. Therefore, in the U.S.-Taiwan trade talks this year, the Taiwan side argued things out insisting on not allowing the import of U.S. turkeys. It was learned that there were 12 rounds of talks between the two sides. The Taiwan side ended up being unable to resist the "powerful pressure" of the United States.

A Taiwan official said indignantly that the Americans mostly eat turkey breasts, with wings, legs, innards, and other cheap stuff dumped on Taiwan. Another high-ranking trade official pointed out that Taiwan, in being forced to open the turkey meat market was "put in a great plight." The point worth noting is that after the above officials spoke up, some members of the Legislative Yuan immediately prompted three committees on interior affairs, foreign affairs, and economic matters within the Legislative Yuan to join forces in launching a counterattack against the U.S. pressure. It was also clearly made known that "in times of need, all peasants of the province will be aroused to make an appeal to the Executive Yuan and the Legislative Yuan."

It is quite obvious that the "16 March" anti-U.S. demonstration came about under the prompting of people in "official circles." Apart from peasants from various areas, the participants in the demonstration included students from Taiwan Central, and Fugen Universities, the Taipei Medical College, and many other well-known Taipei colleges, and members of the Legislative Branch. The demonstrators reached not only the National Trade Bureau and the central party headquarters of the Kuomintang but also appeared outside the office of a U.S. association in Taiwan, holding placards and cartoons with slogans like "Down with U.S. imperialism," "Taiwan is not a U.S. colony," and so forth. The masses were very worked up.

It is generally held that the current anti-U.S. action in Taipei will not cause a break in U.S.-Taiwan relations. This is because as far as present economic interests or political interests of both sides are concerned, the U.S.

and Taiwan need each other. This bold act by the Taiwan side is only intended to make clear to the United States that Taiwan will not unconditionally yield to pressure from any quarter.

Defense Minister Replies to Interpellations

On Secrets, Mining

OW202050 Taipei Domestic Service in Mandarin
2300 GMT 18 Mar 88

[Text] In reply to an interpellation in the Legislative Yuan yesterday, Minister of Defense Cheng Wei-yuan indicated that in plotting to capture the Republic of China, the Chinese Communists are always ready to use any possible means to gather military information in the Republic of China [ROC]. To prevent the leaking of information to the enemy, the ROC Armed Forces have tight control of classified military secrets, he said.

Commenting on a report published in the overseas edition of RENMIN RIBAO yesterday that the Chinese Communist Navy has developed new processes of laying mines on the sea and has improved mining tactics, the minister said this has increased the Chinese Communists' military threat in the Taiwan Strait.

Confident of Defenses

OW190519 Taipei CNA in English 0230 GMT
19 Mar 88

[Text] Taipei, March 19 (CNA)—The Republic of China [ROC] Government is determined and confident it can safeguard the bastion of national recovery on Taiwan by destroying any possible Communist Chinese invasion, Defense Minister Cheng Wei-yuan said Friday.

In his reply to an interpellation by Legislator Huang Cheng-yi, Cheng pointed out that the Chinese Communists, while intensifying their united front tactics against the ROC, have repeatedly refused to renounce the invasion of Taiwan by force.

Furthermore, Cheng said Chinese Communist troops have recently staged large-scale maneuvers in the South China Sea and mock invasions of Taiwan on Hainan Island. All this indicates that the Chinese Communists are ready to invade Taiwan by force at any moment, he asserted.

Cheng said the ROC Armed Forces, fully aware of the Chinese Communists' attempts, have vigorously strengthened training and combat readiness in order to annihilate any invading communist troops.

Cheng said because the Chinese Communists will use every possible means to gather military information in the ROC, the Defense Ministry has taken necessary measures to keep classified military secrets from being leaked.

Taiwan Not To Sign Armistice With Mainland

OW200751 Taipei CHINA POST in English
16 Mar 88 p 16

[Text] Foreign Minister Ding Mou-shih on Monday ruled out the possibility of formally ending decades-long hostility across the Taiwan Strait, saying the government will not sign a truce with Communist China.

In replying to an interpellation by Legislator Hsieh Mei-hui, Ding said the Chinese Communists will not sign such a treaty, adding that even if they were willing to do so, the ROC [Republic of China] should not trust them considering their treatment of Tibetans.

Recently, a lawmaker of the ruling Kuomintang indicated that he will promote a formal truce with Communist China to facilitate contacts across the Taiwan Strait after Premier Yu Kuo-hua had hinted at possible changes in the government's mainland China policy if the Communists ruled out the use of force against Taiwan.

Chinese Defection Gets Sparse Media Coverage

OW180252 Taipei International Service in English
0200 GMT 17 Mar 88

[Commentary: "Ho Hum, Another Chinese Communist Defection"]

[Text] Canada's Federal Department of Immigration announced on Monday that an official [words indistinct] — quote unquote — embassy in Ottawa had defected and applied for immigrant status in Canada.

The news was big in Ottawa and (?other cities) in Canada, but it only appeared as a small (?clip) in other Western papers. The reason for the sparse coverage of such an important communist defection is simple: Most people have it in their minds that Communist China is no longer communist and that defections from it are really not defections but rather the choice of an individual to make a new home somewhere else.

Baloney to that. Tens of Chinese Communist officials and literally hundreds of Chinese Communist students seek political asylum in the free world each year. They are not merely movers but defectors, people who are fed up with life under a totalitarian system. Once they taste the air of freedom, they do not want to go back home where political uncertainty and suppression of liberal ideas await them.

[Words indistinct] the old double standard in the reporting of defectors from the communist world. Where its diplomats are Soviet, the news headlines would have been [words indistinct] print of [words indistinct]. [Words indistinct] speculation would continue about the case in the (?media) for weeks. We have seen it all before. But when a Chinese Communist defects, the double

standard kicks in and the foreign press (?only) give the story a two-inch column and move onto more important world news, such as Prince Charles' latest outing with Diana.

Sounds cynical? You bet. For too long now, Western media have taken a much too lackadaisical approach to the issue of Chinese Communist defection. It's almost as if people are afraid to (?embarrass) Beijing by publicizing these common events. Why would anyone think the Chinese Communists deserve such special treatment?

This double standard on news coverage really becomes apparent when Chinese Communist fighter pilots defect to Taiwan. In the old days, back when the foreign media understood that Communist China is communist, news of such a defection was [words indistinct]. Nowadays, however, pilot defections are relegated to the column of — quote unquote — world briefs; that is, of course, pilot defections from Communist China. Whenever a Soviet or (?East Europe) pilot defects, the news shatters headlines and the fact of the defection is exploited to show how bad things are behind the Iron Curtain.

On the other hand, when a Chinese Communist pilot defects, the foreigners are quick to caution that it does not mean things are really bad behind the Bamboo Curtain. The pilot is usually described as having personal reasons for risking an escape for freedom, and anything he says about lack of freedom or oppression on the China mainland is (?put down) as propagandistic.

[Words indistinct] in this latest case, the Canadians were not afraid to let it be known publicly that a Chinese Communist defection took place. Perhaps they came to the wise decision that it is not possible to cover up the fact that Communist China is still communist, and that, as such, defectors [words indistinct].

Red Cross To Receive Aid for PRC Mail Transfer

OW190535 Taipei CNA in English 0303 GMT
19 Mar 88

[Text] Taipei, March 19 (CNA)—The Communications Ministry's Directorate General of Posts will provide the Red Cross Society of the Republic of China with financial aid for its service in transferring local mails to the Chinese mainland, a ranking ministry official said Friday.

The official said the government's established policy of prohibiting direct postal contacts with Communist China remains unchanged. He added, however, that indirect postal services with the mainland provided by civic organizations are allowed in light of practical needs.

Since the government permitted local residents to visit their relatives on the mainland last November, the amount of mails between people on both sides of the Taiwan Straits has gradually increased. Therefore, the

Directorate General of Posts has decided to give funds to the Red Cross to support its postal services with the mainland so as to meet the growing need, the official said.

Guangdong To Offer Incentives to Taiwan Investors
HK190245 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 19 Mar 88 p 3

[By Cynthia Suen]

[Text] Taiwanese businessmen may be offered preferential treatment and guaranteed confidentiality if they invest money in Guangdong Province, a top trade official said yesterday.

The deal, which offers tax and land use benefits, is believed to be even more attractive than that offered to Hong Kong and Macao investors.

Xu Yunian, director of Guangdong's Commission of Foreign Economic Relations and Trade, said yesterday the commission had designed a package which would provide for preferential terms for Taiwanese investors.

The Taiwanese Government prohibits its nationals from investing and trading in the mainland. Mr Xu said this made life very difficult for Taiwanese investors and warranted the provision of more flexible terms.

Included in the incentive package are attractive terms for taxation and land use and it would also allow a greater proportion of domestic sales.

"Customs procedures for Taiwanese investors will be simplified and, to spare them any political risk, we will guarantee confidentiality on their request," said Mr Xu.

Details of the package were revealed during the Guangdong Foreign Economic and Trade Fair which closes today. Mr Xu said the draft plan is awaiting approval from the Guangdong provincial government.

But he said both the provincial and central governments supported the introduction of Taiwanese investment.

Meanwhile, Mr Xu said 868 contracts and agreements worth more than US\$24 billion were signed with foreign investors during the trade fair.

He said some of these deals were for infrastructure and the raw material industry, including the renovation of two iron and steel mills in Shaoguan and Zhujiang.

Taiwan To Attend Asian Development Bank Meeting
OW191343 Taipei CNA in English 1551 GMT 18 Mar 88

[Text] Taipei, March 18 (CNA) — After completing a prudent study, the Government of the Republic of China [ROC] has decided to send an official delegation to

attend the annual meeting of the Asian Development Bank [ADB] in Manila next month, Foreign Minister Ding Mou-shih said Friday.

He said, however, that this does not mean that the government has agreed to accept Taipei, China as the name for its ADB membership. The ROC Government will continue to negotiate with the Manila-based bank on the issue, Ding said.

Ding made the disclosure while replying to an interpellation by Legislator Tsai Sheng-pang. Tsai urged the government to break through its diplomatic dilemma and to make a definite statement on the question of ROC membership in the Asian Development Bank.

The foreign minister indicated that after two years of negotiations, ADB has reaffirmed that the ROC is one of the bank's founding members and has pledged that the ROC's formal membership status and its rights in the bank will never be affected.

KMT, DPP 17 Mar Meeting Goes 'Smoothly'
OW201942 Taipei International Service in English 0200 GMT 19 Mar 88

[Commentary: "Interparty Talks Go Smoothly"]

[Text] The [word indistinct] parts were again popping away on Thursday—interparty talks between the majority Kuomintang and the largest opposition group, the Democratic Progressives.

Delegates of the Kuomintang — or KMT for short — and the Democratic Progressives — or DPP for short — met for 3 hours to hash over sensitive issues on the Republic of China's political agenda. The talks proceeded in a harmonious atmosphere, and were highly indicative of the increasing spirit of cooperation between the party in power and its main opposition group.

Both sides agreed on the fundamental issue of upholding the Constitution and the constitutional system of the government. In the exchange of positions, the KMT urged the DPP delegates to back away from including any advocacy of Taiwan secessionism in their party platform. The DPP will hold a party congress in mid-April, during which a new platform will emerge.

At the talks on Thursday, the DPP delegates appeared split on the issue of the right to advocate secessionism. One spokesman dismissed the possibility, but another said such matters were internal issues and not part of the agenda for interparty talks. The latter appeared, however, to be making a specific note of principle and did not give the impression that secessionism would in fact be advocated by the opposition group. For its part, the DPP delegation raised a set of issues for discussion with the KMT. They called for a general meeting among groups of four political persuasions to discuss state affairs; requested a meeting between DPP members of the

National Assembly and ROC President Li Teng-hui, and amnesty for what they called quote unquote political prisoners; a new election for all parliamentary seats; a review of the handling of foreign exchange reserves; and an end to the practice of barring suspected seditionists from entering Taiwan.

The KMT responded to the DPP points one-by-one. With regard to the two types of meetings requested, the KMT official said plenty of channels for communication on national issues already exist, so a general meeting is not necessary. As for meeting with the president, the KMT spokesman said they will have to wait until after the DPP becomes an official or legal political party. A bill governing the formation of new parties is still pending in the nation's legislature. On the issue of parliamentary reform, the KMT said that a proposal already put

forward, taking gradual reform through a retirement plan for members of parliament elected on the mainland 40 years ago, is reasonable and is supported by the majority of the public. They said a drastic, overnight change is not in the cards. As for the foreign exchange reserves, the KMT said that the issue had already been brought out into the open, and that public doubt or concerns had already been alleviated.

The two sides then discussed the issue of a blanket amnesty for those persons convicted and jailed for seditious activities. A plan is underfoot to reduce sentences, which would make many eligible for parole.

The KMT and the DPP agreed to continue their dialogue, casting a bright ray of optimism over the future of interparty relations on Taiwan.

Hong Kong

XINHUA Said To Replace Local Bureau Chief
*HK211342 Hong Kong AFP in English 1326 GMT
21 Mar 88*

[Text] Hong Kong, March 21 (AFP)—A top Chinese official based in neighbouring Guangdong Province is likely to become China's new spokesman in this British colony, a local China-watching magazine said Monday.

Lin Ruo, 62, currently secretary of Guangdong's provincial party committee, will take over the directorship of the local branch of the official NEW CHINA NEWS AGENCY (NCNA), seen as Beijing's de facto consulate here, EMANCIPATION MONTHLY said.

Mr Lin would succeed Xu Jiatur, who has been in the post for five years, the report said, quoting sources in China. It did not say when the change would take place.

Mr Lin, a native of southern Guangdong Province, speaks fluent Cantonese, the Chinese dialect spoken [by] nearly all of Hong Kong's 5.65 million people, the report said.

Mr Xu, from Jiangsu Province in eastern China, speaks the national Chinese dialect of Mandarin with a Shanghaiese accent, observers say.

No immediate comments were available from NCNA's Hong Kong office Monday.

Under a Sino-British pact, this British colony is to revert to Chinese sovereignty in 1997, retaining its capitalist system while enjoying "a high degree of autonomy" for 50 years after that.

Li Peng Discusses Bank's Post-1997 Role
*OW191713 Beijing XINHUA in English 1653 GMT
19 Mar 88*

[Text] Hong Kong, March 19 (XINHUA)—The chairman of the Hong Kong and Shanghai Banking Corporation has been told by Chinese Acting Premier Li Peng that the bank has a major role to play after 1997.

William Purves, chairman of the major note-issuing bank in Hong Kong, returned here this afternoon following a visit to Beijing.

In Beijing, he met not only Acting Premier Li Peng, but also State Councillor Ji Pengfei and Governor of the People's Bank of China Chen Muhua. They talked about the role of the Hong Kong bank now and in the future.

Purves found the statement by the acting premier very encouraging. Li Peng talked about the major role the Hong Kong bank to play, "not only here but also in China after 1997. So these were very encouraging meetings, and we look forward to continuing the work in this part of the world," he said.

They also discussed about Hong Kong dollar's link with the U.S. dollar. The Chinese leaders support the Hong Kong Government's position and feel that it should continue to be linked with the U.S. dollar at present rate of 7.8 Hong Kong dollars to one U.S. dollar.

CITIC Seeks More Foreign Investment in PRC
*HK180709 Hong Kong SOUTH CHINA MORNING
POST (BUSINESS POST) in English 18 Mar 88 p 5*

[Text] CITIC [China International Trust and Investment Corporation] Hong Kong (Holdings) is beefing up its efforts to channel more Hong Kong and foreign investment into Chinese industries.

Larry Yung, CITIC's vice-chairman and managing director, said that while the foreign partners could provide technology and marketing skills, the Chinese side could supply land, labour and raw materials.

"As Hong Kong develops, there will undoubtedly be closer co-operation between Hong Kong and the mainland. And as a Chinese corporation, we hope to play an active role in such co-operation," he said.

Mr Yung also said CITIC would increase efforts to promote foreign investment in Hong Kong. This, he added, would be beneficial to mainland Chinese entrepreneurs who could polish their skills in the cut and thrust of international trade and finance.

Since its establishment in Hong Kong in 1980, CITIC, had grown steadily with investments in a wide spectrum of activities, including aviation, banking, public utilities, energy, industries, real estate, trading and shipping.

About 80 per cent of CITIC staff were recruited locally, the rest coming from the mainland, Mr Yung said. He pointed out that a Hong Kong trading and business experience was an important asset for Chinese managers.

Mr Yung said a major attraction of Hong Kong to Chinese corporations was that it could offer trained professionals of Chinese origin who could pass their management and other skills to mainlanders.

"China has high hopes that Hong Kong will provide the skills that are lacking on the mainland. Through Hong Kong, China can get an introduction to the international markets and supply us with valuable practical experience," he said.

CHING PAO on White Paper, Basic Law
HK210701 Hong Kong CHING PAO in Chinese
No 128, 10 Mar 88 pp 6-11

[Article by Ku Hsing-hui (0657 2502 6540): "The White Paper Has Ingeniously Passed the Ball to the Chinese Side"—first paragraph is CHING PAO introduction]

[Excerpts] The White Paper is meant to serve Britain's long-term strategy. The seven points on the future development of representative government are still in the program of "mutual convergence," and are announced not only to the Hong Kong people but also to Beijing. They request Beijing to give consideration to the "unique" position of Hong Kong, the "confidence of the Hong Kong People," the "effective British administration," and its "continuity." Thus Britain can ingeniously participate in the formulation and implementation of the Basic Law. [passage omitted]

It Is Meant To Serve Britain's Long-term Strategy [sub-head]

The 1988 White Paper is meant to serve Britain's long-term strategy. It includes two important aspects:

First, in the remaining 9 years of the transitional period, Hong Kong will be under the "effective administration" of the British Government. Within this period, the British Government has to maintain its authority, stabilize the political situation, and develop the Hong Kong economy, so as to meet British economic and trade interests in the Far East and preserve the goose that lays the golden eggs. Supposing, over the next 9 years, many Legislative Council members were always arguing with the Hong Kong Government and trying to seize power, even while the British flag was still hoisted, they would treat British officials as "wounded tigers," attack the government, always blame it for whatever it did, and thus sweep away every bit of its prestige. Moreover, there would be frequent demonstrations, and disturbances would arise repeatedly, capital would be withdrawn from Hong Kong, the problem of the brain drain would become serious, and the Hong Kong dollar would depreciate. Furthermore, the revenue of the Hong Kong Government would decrease continuously, it would incur deficits, and even would not be able to raise the salaries of civil servants, and the subordinate staff would thus be full of complaints and resentment and there would be dissension and discord among them. Under such circumstances, how could the British Government handle well the transitional period and maintain its prestige? Would it be necessary for Britain to send British money to Hong Kong to remedy this severe situation? How could Britain fulfill its administrative responsibilities in the transitional period? How could it retire gloriously? A government in power will try to avoid this situation. Therefore, it is essential for it to lower the excessively high power-seizing mentality, and to dispel inordinate political fantasies.

Second, according to the Sino-British Joint Declaration, the system of government in Hong Kong after 1997 will be determined by the Basic Law. This matter is an internal affair of China. However, it would be extremely wrong to think that Britain will not exert its influence in this matter. It is certain that Britain will take part enthusiastically in arranging the future system of government and the people who will manage Hong Kong in the future to meet as fully as possible its interests. British MP Blaker also said in Hong Kong that: The British Parliament will hold a debate on China's Basic Law. If Britain wants to advance in this direction, it will be of no advantage for it to hold up the banner that "interfering in internal affairs is not allowed." On the contrary, a "stable transition" will be of more advantage to Britain in increasing its influence in Hong Kong affairs after 1997. It will be a superior stratagem for Britain to divert Hong Kong people's attention to, and to exert pressure on, the Basic Law.

In short, the 1988 White Paper indicates a change in British strategy. In the previous period, the British Hong Kong Government pretended to be handing down power; but its real intention was to maintain its power in the period before 1997, to avoid excessive Chinese influence during the transitional period, and to gradually hand over power to the Hong Kong people. In this sense, as China opposes the "rapid handing over of power," Britain can realize its intention in an easier way. If Britain, right at the beginning, had indicated that the present ruling structure would still be maintained after 1997 and that it was not prepared to surrender power, then in the next 9 years it would be pressed jointly by China and Hong Kong to surrender power. Now, the passive situation has passed. On the contrary, Britain can take an active role and counterattack. It can appoint people it prefers to the Legislative and Executive Councils and arrange for them to take up administrative posts at various levels; then they will go through the transitional period smoothly and directly and become the backbone of the Special Administrative Region [SAR] government. Thus the pro-Chinese Hong Kong people cannot take part in the administration before 1997, and pro-British strength will become the main force in ruling Hong Kong after 1997.

In light of the change in personnel, with the first SAR government under British influence, the strong position of pro-British strength will be maintained for at least 15 to 20 years (that is, three to four governments), even if there is tremendous Chinese influence. China will be more concerned about the prosperity and stability of Hong Kong than about interfering in personnel arrangements. If the government of the Hong Kong people does not advocate the independence of Hong Kong and does not oppose communism, and if it maintains a good, cooperative relationship with Beijing, Beijing will be patient and will not give Hong Kong any shocks. If we ask what trump cards Britain has that enable it to force China not to take reckless action, the answer is "continuity" and "prosperity and stability." These two cards

enable Britain to make China understand that in considering common interests, China has to hold discussions and communicate with Britain.

In those years when Britain was discussing sovereignty over Hong Kong with China, its highest demand was to "renew the lease for another 30 years." Britain is good at summarizing experience, and it will change its form in realizing its interests. A situation of confrontation would not be effective, but would cause it to lose the benefits it has already obtained.

China Is Told the Main Development Points [subhead]

The title of the 1988 White Paper is: "The Development of Representative Government: The Way Forward." It has thus rounded off the picture. "The Way Forward" is the title of Chapter 8 in this White Paper. The main points are:

1. Strengthening the three-tier structure of government.
2. "Future development should take the form of a prudent and gradual evolution, to ensure stability between now and 1997 and a smooth transfer of government in 1997."
3. The evolution of Hong Kong's system of representative government "both to meet the developing needs of our society and to maintain confidence in our future."
4. The framework of government after 1997 will be incorporated in the Basic Law, which is due to be promulgated in 1990. Decisions will therefore need to be made during the period up to 1997 to enable Hong Kong's system of government to evolve in a way that is compatible with both the aspirations of the Hong Kong community and the framework set out in the Basic Law."
5. "The system of government in Hong Kong is unique, and has developed in the way that it has because of the unique circumstances of the territory." "Both before and after 1997 Hong Kong will continue to require a government structure tailored to its own special circumstances."
6. In the period up to 1997, Hong Kong's system of government should evolve in a way which can ensure that the "government remains both responsive and effective."
7. The evolution should provide "for a smooth transfer of government in 1997 and a high degree of continuity thereafter."

The seven points on the future development of representative government are still in the program of "mutual convergence," and are announced not only to the Hong Kong people but also to Beijing. They request Beijing to give consideration to the "unique" position of Hong

Kong, the "confidence of the Hong Kong people," the "effective British administration," and its "continuity." The changes in the system of government should take into account the Basic Law, and the changes should be realized before 1997. When it is changed it should have continuity and it should last unchanged for 50 years.

In this sense, Britain can participate ingeniously in the formulation and implementation of the Basic Law. The pressure of public opinion in support of "direct elections to the Legislative Council in 1988" is still a bargaining counter. However, Britain will not ignore this matter completely when this burden is passed to Beijing. It will still use "stable and steady" transition as the reason for insisting that an organizational system and a choice of persons which can ensure effective British administration and continuity should be fixed before 1997. Under such a careful arrangement, the participation of the Hong Kong people who have a strong sense of nationalism will be constrained in the transitional period, and the people who are now in favor of the new organizational system will share power in a favorable way in the transitional period. [passage omitted]

Attention Should Be Diverted to the Basic Law [subhead]

However, there is also divergence among the democrats themselves on this question. For instance, some people consider that the decision that direct elections will be held in 1991, which is a result that they had strived for, is already a great victory. Others consider that it is not acceptable that direct elections are not to be held in 1988; and that the White Paper is indeed a harmful document, and should be opposed. The burning of the White Paper can be described as an expression of this feeling. However, if they continue to oppose the White Paper, they will not have leeway in the future, and will thus fall into a crisis of contradiction between words and practical actions. Would the democrats not be embarrassed if they participated in the direct elections in 1991, which they described as an "absolutely undemocratic" game and an arrangement of the government system they opposed? The correctness of an action lies in an individual's judgment of the situation and of his strength. If one sets proposals too high, without considering one's own capacity, or estimating what the masses can accept, and takes action without deep consideration, one will be on the horns of a dilemma.

It is necessary for the democrats, while preparing for the direct elections to the Legislative Council in 1991, to pay attention to the Basic Law. This is because if they want to find a way out in representative government, which is under British administration, the qualifications they have do not match those possessed by the people advocating the organizational system. Moreover, the people advocating the organizational system are in a more advantageous position than they are, as the British Government is more willing to support these people;

they will climb to high positions through external assistance. The more important point is that these people will get the latest and the most accurate political information, know Britain's true intentions, and they will not judge future prospects simply on the basis of current official propaganda. Therefore, the political moves of the people advocating an organizational system are rather tactful and do not go to extremes. They know from the outset that the result of the evolution of the system of government lies in the Basic Law. Therefore they devote every effort to it, and ingeniously hold dialogues with China. They do not hold a position against either government but try their best to gain power. This attitude has strengthened their position substantially. According to reports, China feels that they are mature politically, and have the cardinal principles in mind and take the overall situation into account; and China can in all senses work with them. On the question of demanding direct elections in 1991 and at the critical moment for the Basic Law Drafting Committee, they succeeded in demanding a plan for direct elections and having it included in the discussion of the Basic Law. In this way, the idea of holding direct elections in 1997 has been listed successfully in the White Paper on the development of representative government in Hong Kong. Without the ingenious moves of the drafting committee, the White Paper could not have broken through the reserve line that "great changes should be avoided before the Basic Law is finalized."

Speaking from a long-term point of view, Beijing is not an opponent of the democrats. It has become clearer and clearer that in the future Beijing will not send people to run Hong Kong, and only wants to maintain the present situation; and that the people who run Hong Kong will come from Hong Kong. Therefore, those who have the capability to contend for most of the posts are the democrats and the people supporting the organizational system. The pro-China people at most can obtain 20 percent of the seats. Under such circumstances, an attitude of opposition is not beneficial to unifying the Hong Kong people, fighting for votes, and striving for Beijing's cooperation and confidence; and thus the real opponent cannot be defeated.

The Basic Law is a document that will last for 50 years after 1997. Everyone would like to influence it so that it can meet his own interests. However, in participating in discussions and in formulating work, there are some things one should strive for and some things one should not. If one is not good at making concessions, and does not reserve room for future moves, one will only stick to and argue on parts of an issue. Finally, a farce such as the burning of the White Paper will result. Such a move is equivalent to breaking with the Basic Law, with the result of withdrawing from the organizational system after 1997.

China Had Conducted Wide-ranging Dialogues [sub-head]

With the comprehensive readjustment in the British strategy, China also adopted a high posture, and it enthusiastically developed dialogues with radical people to solve contradictions. On the last day of the last lunar year, Ho Chun-ren [0149 0193 0088], of the Hong Kong Affairs Society, invited Qiao Zonghuai and Huang Wen, of XINHUA's Hong Kong branch, and Lee Chu-ming and Lee Yee for dinner. Consistently and over a period, Martin Lee has been a radical on the opposing side. His criticism of China is too extreme. However, the essence of the idea of "one country, two systems" is to strive for cooperation among people with different ideologies and political viewpoints. The philosophy behind this is that unanimity is strived for on important issues and differences of opinion on less important subjects are allowed. In this sense, China should at least hold dialogues with people holding ideologies different from its own, so as to remove their suspicions and anxieties. In this respect, China does not fear criticism. In the 50 years after 1997 Hong Kong will still be a diverse society and criticism will be allowed.

When regular dialogue is maintained, both sides can at least exchange opinions; and in incorporating things of a diverse nature, both sides can have discussions with each other and unnecessary misunderstanding can be thus reduced. Although the distance between both sides cannot be reduced immediately, the degree of opposition to each other can be reduced, and political damage to either side will also be reduced.

A situation of mutual opposition arises from neither side making concessions to the other and their not trusting each other. The former factor, perhaps, cannot be eliminated in a short time. However, the latter can be eliminated through strengthening dialogue between both sides, with which much misunderstanding can be removed.

There are also differences of opinion among the democrats. Early on, when the question of sovereignty over Hong Kong was being discussed, democrats supporting the idea of returning Hong Kong to China showed in this matter their enthusiasm and devotion to this idea, and to unifying China. Although they believe in rapid democratization, their general direction is correct. They feel a responsibility toward Hong Kong and the whole country.

The essential problem of the democrats opposing communism lies in that they have no confidence in Beijing. They believe that persistent opposition can perhaps bring a new situation out of the present one. They are, in fact, attempting something they know they cannot accomplish. They are pessimistic about the future. Although they have the will and the spirit, they are not calm enough. It will be beneficial to their development and to Hong Kong's prosperity and stability if this type of outlook can be eliminated. It is the responsibility of everyone who loves Hong Kong to eliminate opposing and unstable factors; and the XINHUA branch in Hong Kong has a more important responsibility. According to

rumors, while having dinner on the last night of last lunar year with Lee Chu-ming and so on, XINHUA spent much time listening to their opinions on the government system and democracy, and tried not to argue on differences of opinion. However, it also tactfully pointed out that they all have the same goal of democracy, the difference between them lying in the form and speed in achieving this goal. [passage omitted]

There Should Be a Standpoint of Striving for Democracy
[subhead]

If people striving for democracy want to achieve results, they should first base themselves on the Sino-British Joint Declaration, and take into account the uniqueness of Hong Kong and the reality that Hong Kong does not have suzerainty status. Moreover, they should center on concrete democratic programs and demonstrate that these programs can meet the need to achieve prosperity and stability, can incorporate participation by as many levels as possible, and can eliminate unpredictable factors; and that through them continuity in the policies of government administrative departments can be ensured, and the government can have high a degree of efficiency in adapting to the circumstances of fast-changing international economic competition and in maintaining the vigor of Hong Kong. In this way, these programs will receive attention and will be recognized.

Programs for the system of government put forward by anyone should receive support if they are rational and beneficial to the Hong Kong people. The record of the discussions on the Basic Law will be publicized in May. It is foreseeable that it will arouse wide and enthusiastic debate. Debate is dialogue; it is also a form in which everyone can state his reasons and arguments. The differences of opinion that will possibly emerge will not be on the question of whether we want democracy but on how democracy should be perfected gradually in different stages and in an orderly process, step-by-step.

The Basic Law Consultative Committee, various social organizations, and districts can become channels in collecting public opinion. The various mass media can also assign space and time for people to express different opinions. It is better to have more opinions, and to have deep discussions. The key lies in how to collect and sum up these public opinions. In this sense, it is better for the drafting and consultative committees to stipulate in advance a set of criteria for collecting, summing up, and evaluating public opinion. It is a just practice to announce the criteria in advance.

In formulating a basic law which satisfies the Hong Kong people, it is necessary for Beijing to have a policy that is clear and more open than before, to satisfy the Hong Kong people's demand for a high degree of autonomy.

A calm attitude is advantageous to reducing differences, while suspicion and opposition will only enlarge differences.

The discussion on the Basic Law will be launched in the Year of the Dragon. The dragon represents emergence into prominence in times of crisis, vigor, and flexibility; and it can be soft or hard, flexible or inflexible. It is hoped that this year will be a good start.

Legco Advised To Debate Basic Law Before June
HK200616 Hong Kong SUNDAY STANDARD
in English 20 Mar 88 p 2

[By Kathy Chan and Shirley Yam]

[Text] If the Legislative Council [Legco] wanted to debate the Basic Law draft, it should do so before mainland drafters visited in June so opinions could be passed on, the Secretary-General of the Basic Law Consultative committee [BLCC] said yesterday.

Mr Leung Chun-ying said the BLCC would act as a "middleman" between Legco and the drafters, and ensure the information got to the drafters, though he did not say if there would be a direct meeting.

He also declined to say whether he thought Legco should even debate the draft.

Mr Leung made his comments following the release of a poll by THE STANDARD yesterday which found a slight majority of BLCC members supported a debate on the Basic Law draft due in May.

This contradicts China's stance, which doesn't want either the British Parliament or the Legislative Council to debate the draft.

Of the BLCC's 174 members, 108 responding to the poll supported the concept of a debate. Only 27 were against it, while 26 had no comment.

The BLCC wouldn't comment on the poll yesterday, but said it had taken note of it.

But drafter and Legislative Councillor Mr Szeto Wah said the findings were "an encouraging indication of feelings", though he pointed out the BLCC had no real power other than to advise.

"They (committee members) are not in a position to decide whether the Legco should debate the Basic Law draft. Neither is the drafting committee," he said.

But he said Legco should debate the draft because it had debated the joint Declaration in 1984. This left it with the duty to ensure the Basic Law followed the spirit of the Joint Declaration, he said.

Mr Szeto added that so far there had not been discussions among councillors over whether Legco should debate the Basic Law.

"But if no other councillors propose to debate the Basic Law draft (in Legco), I will do it," he said.

Another drafter and BLCC member, Dr Raymond Wu, also felt there should be a Legco debate because Hong Kong was the most directly affected, and knew the effects of the draft better than anyone else.

But he said it should be done in a rational way with "no bad political intentions".

He worried the debate might be exploited as a "chess piece" in a political game to arouse confrontation and uncertainty in society.

Mr Lo Tak-shing, vice-chairman of the BLCC, yesterday again declined to comment when asked whether Legco should debate the draft.

"I am not in a position, and I cannot and I should not decide whether the Legislative Council should debate the draft," he said.

Government Approves Promoting Basic Law on TV
HK200626 Hong Kong SUNDAY STANDARD
in English 20 Mar 88 p 1

[By Kathy Chan]

[Text] The Basic Law Consultative Committee [BLCC] wants help from the Hong Kong Government to promote the Basic Law draft, despite China's stand against any Legislative Council debate on the document.

Hong Kong has agreed to allow TV air time to publicise it, at the same time as the Hong Kong and British Governments are being warned that a debate would interfere in China's affairs.

The draft will also be widely available through an influential list of distributors, including MTR stations, branches of major banks and Kaifong associations, when it is released in May.

BLCC vice-chairman Mr Lo Tak-shing said yesterday that, with the support of the Hong Kong Government, both TVB and ATV have agreed to allocate promotion spots for the draft.

They will tell the public the draft is available and encourage people to say what they think of the document.

BLCC secretary-general Mr Leung Chun-ying and his deputy Mr Shiu Sin-por wouldn't answer questions on how or why the Hong Kong Government is supporting the promotion.

Asked whether seeking help from the Hong Kong Government contradicted China's stand against involvement by the British or territorial governments, the only answer was a question:

"Why do you guys (the press) always take it for granted that we must not be co-operating with the Government?" asked Mr Leung.

It had been the BLCC's position to maintain a "spirit of co-operation" with the Government, he said. They had co-operated since the BLCC was established.

Mr Shiu said the government had exempted the committed from registration under the Society Ordinance when it was established in 1985. And Hong Kong Government officials had occasionally briefed BLCC members on public affairs.

The Government said yesterday it gave its approval for the promotion spots on TVB and ATV after both stations wrote last month, asking to allocate non-commercial air time to the draft.

"We have no objection since it will be free of charge and will not upset the time for public announcements," said Government Secretariat spokesman Mark Pinkstone yesterday.

The Government had to become involved because the stations must apply to it when broadcasting noncommercial material, he said.

"The stations said they supported such promotion because they thought it was their public duty to help in the promotion of such an important document," said Mr Pinkstone.

Meanwhile, the BLCC's executive committee yesterday agreed to arrange a direct encounter between mainland drafters and the Hong Kong community when they visit the territory in June and September.

Mr Leung said the drafters were coming because it was better for them to explain their own draft. The BLCC was only a consultative committee.

"As we are in no position to explain draft provisions, it is better for the drafters to have direct dialogue with Hong Kong people in forums and seminars," he said.

The BLCC will also organise exchange tours of committee members to the mainland to allow them to give their views directly to the drafters.

The first trip leaves in mid-May.

The committee has also decided to publish pamphlets on the Basic Law draft. It will briefly introduce the contents of the Basic Law draft, say where draft copies will be available and how the consultation is to be conducted.

Pro-PRC Group 'Will Threaten' Liberals
HK210415 Hong Kong HONGKONG STANDARD
in English 21 Mar 88 p 2

[By Agnes Lam]

[Text] The pro-Beijing camp in Hong Kong will threaten liberal groups in the first-ever Legislative Council [Legco] elections in 1991, according to speakers at yesterday's City Forum.

The speakers, who included Legislative Councillors, said that within three years, pro-Beijing elements would infiltrate the political arena here.

But this was not a bad thing, they said, as long as these people remembered that their responsibility was to serve the community.

This month's district board elections showed the growing strength of the pro-Beijing camp.

About 50 of the 493 candidates who stood for election were strongly affiliated to pro-Beijing bodies.

Although only half of these were elected, observers believe they have the potential to develop into a powerful power base.

A lecturer at the Chinese University's Department of Government and Public Administration, Mr Jeremiah Wong, said although the success rate for the pro-Beijing camp was lower than that of the liberals, they had polled a high number of votes.

The liberal camp won about 100 seats in the last district board elections.

"I believe that if these people are interested in direct elections to the legislature in 1991, they will pose a threat to the liberals," said Mr Wong.

Mr Wong said the pro-Beijing camp failed to secure more district board seats in the election because its electioneering activities were loosely organised.

But the runners would have large unions and pro-Beijing organisations to back them in the coming 1991 elections, he said.

They would certainly give the liberals a tough run, said Mr Wong. He said he believed the liberal camp would split in the years ahead.

"Different liberal groups were able to reach consensus in the last district board elections," he said.

"For instance, they negotiated with one another before deciding which constituencies their members would stand.

"But this may not be the case in 1991 because there will only be 10 seats open for competition."

Meeting Point chairman Mr Yeung Sum said the pro-Beijing camp had adopted a low profile in this month's elections.

"This may be attributed to the public reservations about their image, the inactive electioneering campaigns and their low organising power," he said.

"But I will not ignore their influence in the 1991 Legco election.

Mr Yeung said the pro-Beijing campaigners' participation in Hong Kong's political arena was in general a healthy sign.

"If they participate more, they will be more acceptable to electors," he said.

Legislative Councillor Dr Conrad Lam, who won a Wong Tai Sin District Board seat in the elections, said he had felt pressure from pro-Beijing candidates.

"They would be a strong force because they have the resources to develop into a powerful camp," said Dr Lam after the forum.

Another Legco member, Mr Ho Sai-chu, said it was wrong to categorise people by their affiliations.

"We cannot say those who are pro-Beijing are not liberals," said Mr Ho, who is a member of National Committee of the Chinese People's Political Consultative Conference.